FACTS ON FILE

Weekly World News Digest with Cumulative Index

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Letters in margin are to facilitate reference from future issues and index

WORLD AFFAIRS

SUMMARY. *Red China spurned UN's new Korean truce plan.*

A *Allies awaited next Red blow on 100-mi. front below Seoul.*

West German Govt. refused unity talks with East German Reds.

Eisenhower continued tour of Atlantic pact capitals.

French in Indo-China stopped rebel drive near Hanoi.

Domestic News: *Pres. Truman submitted $71½ billion budget, asked heavy taxes to balance $16½ billion deficit, issued stringent manpower mobilization policy.*

Military asked for draft of 18-year-olds; Air Force called up 158,000 reservists.

B *Congress was embroiled in "Great Debate" over foreign policy.*

KOREA

Red China Spurns Truce Plea. For the 2d time in a month Red China turned down a UN appeal for a cease-fire in Korea Jan. 17. The Chinese Reds renewed an ultimatum served a month ago: only way to stop the fighting is for UN troops to leave Korea and the U.S. to stop protecting Formosa. If they are granted these concessions plus admission to the UN, the Reds said, they are willing to talk peace—provided the peace conference is held in China. The U.S. promptly refused.

C The Chinese rejection on these terms sent U.S. delegates into action at the UN to get a quick vote labeling Red China an aggressor. The State Dept. had brought Congressional wrath down upon itself just by agreeing to the UN's 2d cease-fire appeal. State Secy. Dean G. Acheson explained Jan. 17 that the U.S. had to go along with the plea to convince the world at large of its peaceful intentions. But with the new appeal turned down, he declared, any further efforts to coax Red China into a truce would be a waste of time. India insisted, however, on further efforts to negotiate with the Chinese Communists.

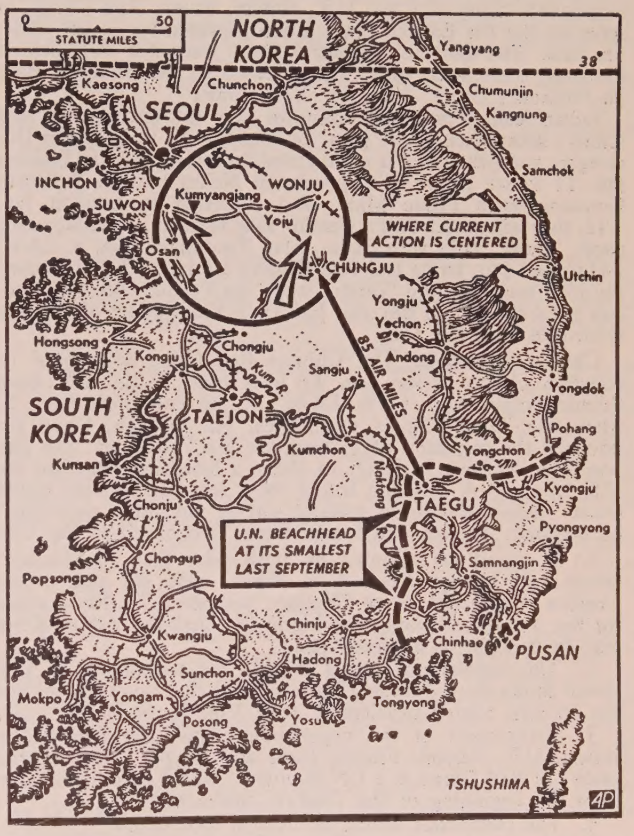
D This week's fighting was confined to UN patrol thrusts and minor battles on an Osan-Wonju front in western and central Korea, about 50 miles south of the 38th Parallel. The Reds were believed to be setting up their next major offensive following capture of Seoul. U.S. warplanes did what they could, short of attacking Manchuria, to snarl these enemy preparations. The U.S. promised to fight on in Korea and said its forces there will be sent replacements to make up for recent losses.

Diplomatic Front

New Appeal Voted. The appeal rejected by Peking Jan. 17 was the 5-point plan for a Korean cease-fire submitted to the UN Jan. 11 by the Gen. Assembly's 3-man Truce Com. [See p. 1J] The plan was approved by a 50-7 vote of the Assembly's Political & Security Com. in Lake Success, N.Y. Jan. 13. Its chief provisions were (1) an immediate cease-fire in Korea and (2) creation of a UN body, of which Red China would be a member, to negotiate for a settlement of Far Eastern problems, including specifically the Korean war and the future of Formosa,

E

Allies Await New Red Drive



Wide World

Circle outlines area, comparable in size to UN's Pusan beachhead of last summer, where Allies were dug in Jan. 18 against expected new Red offensive. Open arrows indicate strong UN patrol stabs to uncover Red attempts to mass for surprise attacks. [See last week's map p. 1]

F G H J

which the Chinese Nationalists now hold and Red China has vowed to capture. The U.S. was among the 50 voting for the plan. The 7 opposed: Soviet bloc, Nationalist China, El Salvador: Abstaining: Philippines. Russia's Jacob A. Malik said he opposed the plan chiefly because neither Red China nor North Korea had any part in working it out.

It was agreed to dispatch the appeal to Red China after action by the Political Com. without having the plan indorsed by the full Assembly. This saved time, also spared the Assembly from adopting a plan the Chinese Reds might reject. K

Congressional Opposition. Immediate U.S. Congressional opposition to the plan arose Jan. 12 and reached a climax Jan. 15

when Sen. James O. Eastland (D., Miss.) introduced a resolution in the Senate to (1) force the U.S. to withdraw from the UN if Red China is admitted and (2) direct Pres. Truman to defend Formosa. Sen. Robert A. Taft (R., Ohio) said in a New York speech Jan. 15 that the new cease-fire scheme was "the most complete surrender to which the U.S. has ever agreed . . . another tragic error in our Far Eastern policy." "To admit that an outrageous aggression such as that of the Chinese Communists can be the basis for admission to the UN is not only an abject acceptance of American defeat but it destroys the whole moral basis of the UN," he protested. "Since we can no longer rely upon the UN, it is obvious that we cannot for some years hope to resist Chinese aggression in Korea . . . We should retire."

Next day (Jan. 16) Chairman Tom Connally (D., Tex.) and other members of the Senate Forgn. Relations Com. rebuked Acheson and other top State Dept. men, told them in closed conferences they should have consulted with Congress before accepting the cease-fire plan. Sen. John L. McClelland (D., Ark.) said the UN should use "economic sanctions and a complete blockade" of Red China, and direct military action if necessary, to choke off Chinese intervention in Korea. [See pp. 18G-M, 19B]

Other Reaction. France protested Jan. 12 because it was not mentioned (along with the U.S., Britain, Russia, Red China) to serve on the Far Eastern peace group provided for in the cease-fire plan. The Chinese Nationalist Govt. warned it will "defend Formosa, come what may" and objected to the proposed talks on Formosa's future. [See Vol. X, p. 398F]

Indian leaders professed optimism over the chances for Red China's acceptance of the plan. Sir Benegal N. Rau, Indian UN delegate and prime mover of trucemaking efforts, flew to London Jan. 14 to see Prime Min. Jawaharlal Nehru (one of 9 British Commonwealth Prime Mins. who conferred in London Jan. 4-12; they adjourned with a plea for early German, Japanese peace pacts, "frank" talks with Stalin, Mao Tse-tung). [See p. 2A-B] Nehru said Jan. 16 he had Red China's assurance that the cease-fire plan would receive "careful study" in Peking. But the Moscow press denounced the plan Jan. 16 as the product of "clumsy maneuvers" by the U.S.

Chinese Rejection. The Chinese Red Govt. announced its rejection of the appeal Jan. 17 in a note to the UN from Premier-Forgn. Min. Chou En-lai. As he had done Dec. 22 when the Truce Com.'s first appeal fell through, Chou denounced the condition of a "cease-fire first" and said "the purpose of a cease-fire is merely to obtain a breathing space for the U.S. troops." A cease-fire before other issues are settled would mean "endless discussion without solving any other problems," he declared. He countered with these "proposals" to the UN:

1. It should be assumed on both sides that all "foreign" troops will be withdrawn from Korea. (He did not specify whether this would cover Chinese "volunteers.") Negotiations for the withdrawal should be begun "so that the war in Korea may be brought to a speedy end."

2. The negotiations "must include the withdrawal of U.S. armed forces from Taiwan [Formosa] and the Taiwan Strait and Far Eastern related problems." [See Vol. X, p. 382P]

3. Participants in the negotiations should be Red China, Russia, U.S., Britain, France, India and Egypt. "The rightful place" of Red China as a UN member "should be established as from the beginning of the 7-nation conference."

4. The conference should be held in Red China.

For the first time in any Chinese Red statement on their part in the Korean war, nothing was said about Chinese Communist troops being merely "volunteers." [See Vol. X, p. 414N]

Acheson Demands Action. As soon as he heard press reports of the Communist terms, Acheson issued a statement calling them "complete rejection" of the cease-fire plea. He followed up with a 2d statement Jan. 17: "We must face squarely and soberly the fact that the Chinese Communists have no intention of ceasing their defiance of the UN . . . The strength of the UN will lie in the firmness and unity with which we move ahead."

Earlier Jan. 17 Acheson explained at a news conference that he backed the cease-fire plea "to demonstrate our adherence" to the basic principle that UN objectives "should be attained by peaceful means." He said his department "did not share" the belief that China could be prevailed upon to cease fire, but the belief "was sincerely held by many" UN members and they were given a chance to see it fulfilled. He said the U.S. strengthened its moral position with other nations by going along with the cease-fire effort. He also pointed out that in agreeing to enter a conference attended by the Chinese Reds the U.S. was "not committed" to any plan of settlement. [See p. 1K; Vol. X, 424J]

In the UN Assembly's Political Com. in Lake Success Jan. 18, Warren R. Austin of the U.S. began lining up support for a resolution that would condemn Red China's intervention in Korea and instruct the new "Acheson plan" Collective Measures Com. to recommend measures to counter it. Austin said, however, that the U.S. was willing to have the UN set up a committee the Chinese Reds could approach if they wanted to make peace. He said Red China had put its neck "in the Soviet collar," pointed out that Chou En-lai no longer called his troops in Korea "volunteers."

Warfare

UN Holds Line. UN forces held a 100-mile-long front Jan. 12-18, roughly on a line 30 miles below Seoul and 50 miles south of the 38th Parallel. Strong UN patrol actions provoked sharp battles with Red units numbered in the hundreds. But fighting was on a minor scale, and the main Communist forces marked time as they prepared for a new offensive to follow up their capture of Seoul.

In central Korea the U.S. 2d Infantry Div. pulled back several miles from Wonju Jan. 13-16 to eliminate a horseshoe-shaped bulge exposed to flank attacks by the Reds. In the West a UN tank-and-infantry "reconnaissance" force knifed into Suwon, within 20 miles of Seoul, Jan. 17 and reportedly killed 500 Communists before withdrawing next day to the vicinity of Osan. An attempted Red advance near Samchok on the east coast was reported Jan. 16.

The UN command in Tokio said Jan. 17 that a week of heavy air and artillery attacks on Red concentrations near the front, plus an air campaign against Red supply lines all the way from Manchuria, had hurt Communist efforts to organize a new offensive. The Reds were said to be moving supply convoys over secondary mountain roads at night in an effort to escape air attacks. [See p. 2C-J]

U.S. Plans. Speculation that plans were under way for UN forces to pull out of Korea was refuted by Gen. J. Lawton Collins, U.S. Army Chief of Staff, at 8th Army Hq. in Korea Jan. 15. He said the UN army will "certainly stay in Korea and fight." The U.S. Defense Dept. said Jan. 15 that "replacements for casualties and battle weary soldiers" will begin to reach Korea next month and will be arriving "in quantity" by March. Collins, USAF Chief of Staff Gen. Hoyt S. Vandenberg and Lt. Gen. Walter B. Smith, Central Intelligence Agency chief, arrived in Tokio earlier Jan. 15 for consultations with Gen. Douglas MacArthur. [See p. 2N]

Maj. Gen. Clark L. Ruffner, ex-10th Corps chief of staff, replaced Maj. Gen. Robert B. McClure Jan. 14 as 2d Div. commander in central Korea (reason unannounced). One of Ruffner's first orders: that 2d Div. men shave off long whiskers McClure had them grow for purposes of identification in night fighting. AF Maj. Gen. Emmett (Rosy) O'Donnell, long-range bomber expert, was transferred from command of the Far East AF Bomber Command (B-29s) Jan. 16 to take charge of the strategic 15th AF at March Field, Calif. Brig. Gen. James E. Briggs replaced him. [See Vol. X, pp. 422C, 218P]

Casualties. North Korea asserted Jan. 16 that U.S., British and South Korean troops had suffered 13,009 casualties since the Red drive on Seoul began Jan. 1. AP photographer Frank Noel, missing since Dec. 1, was listed by the Reds Jan. 5 as a prisoner. Published U.S. casualties to Jan. 12 totaled 45,137 (7,303 dead), the U.S. Defense Dept. said Jan. 18. [See Vol. X, pp. 406C, 346C]

Bigart Assails MacArthur. Gen. MacArthur made a "momentous blunder" when he launched the ill-fated UN offensive in North Korea Nov. 24 and should be removed from the Korean command, Homer Bigart said in a *Look* article Jan. 16. MacArthur retorted Jan. 18 that Bigart's article was "biased and inaccurate." [See Vol. X, pp. 414E, 241K, 422M]

Rhee Rejects Japanese Aid. Commenting on a rumor that Japanese might be recruited to fight on the UN side in Korea, Pres. Syngman Rhee of South Korea said Jan. 12 the South

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Koreans would "fight the Japanese before we expel the Chinese." (The UN command in Tokio has repeatedly denied Red charges that Japanese are fighting in Korea. The *N.Y. Herald Tribune* said Jan. 9 that most maintenance and overhaul work on UN planes used in the Korean war is done by Japanese civilians.) [See p. 2J-K; Vol. X, 423D, 330C]

OTHER FAR EASTERN DEVELOPMENTS

French Hold Hanoi. The French said Jan. 17 they had won a 5-day battle with Viet Minh rebels along a 75-mile front north of Hanoi. Gen. Jean de Lattre de Tassigny, French commander in Indo-China, said 25,000 rebels made a vain attempt to overrun defenses near Vinhyen, 30 miles north of Indo-China's main northern city.

The rebel attacks above Hanoi had been under way intermittently since Dec. 26. Tassigny said the French held their defense line because of superiority in artillery and air cover which offset Viet Minh's edge in men. Last week the French reported gains in extreme northeastern Indo-China near the Chinese border: recapture of Tanmai, frontier outpost 15 miles inland from Moncay.

French defenses north of Hanoi (sawtooth line) repelled Viet Minh attacks (arrows).

Pravda in Moscow charged Jan. 14 that the U.S. and France were rushing plans to make Indo-China a major base for an attack on Red China. It said Chinese Nationalists were being groomed to take part. Western diplomats in Moscow feared the *Pravda* story was propaganda preparation for Chinese Red invasion of Indo-China. [See Vol. X, p. 422M]

China. Chiang Kai-shek wants UN material aid for reinvasion of the Chinese mainland and is ready to accept U.S. supervision of its use, Marguerite Higgins of the *N.Y. Herald Tribune*, who interviewed him in Taipei, Formosa, reported Jan. 13. She said Chiang has a 500,000-man army on Formosa, believes he could seize mainland beachheads and hold them during the buildup for a major drive inland. He predicted that Red China will seize all of Asia unless stopped by force. (The *N.Y. Times* said Jan. 6 that the U.S. had quietly started sending arms and ammunition to Formosa on Gen. Douglas MacArthur's recommendation.) [See p. 18G-M; Vol. X, 423A, 330F; IX, 250H]

Seagrave Convicted. A Burmese court in Rangoon found "Burma Surgeon" Gordon S. Seagrave, 53, guilty of high treason (doctoring and protecting rebel Kachin tribesmen in 1949) and sentenced him to 6 years' imprisonment Jan. 17. A charge punishable by death was dismissed during his 3-month-long trial. A World War II hero, he was born in Burma of American Baptist missionary parentage. He operates a hospital and mission at Namkhan in the Kachin tribal country. [See Vol. X, p. 270P]

EUROPE

Germany. West German Chancellor Konrad Adenauer Jan. 15 rejected an East German bid for unity talks by the 2 German Govts. He said the Reds were not prepared to help set up a government that "respects liberty, protection of human rights and maintenance of peace." He also said the Reds' renunciation of German rights to the Oder-Neisse territory held by Poland deprived them of the right to "talk of unification of Germany." [See Vol. X, p. 400C]

Ilse Koch, 44, on trial in a German court in Augsburg since Nov. 27, received a life sentence at hard labor (maximum permissible in West Germany) Jan. 15 for inciting the murder of at least one German inmate of the wartime Buchenwald concentration camp. The Germans tried her after her original life sentence by a U.S. court was commuted to 4 years and she was freed in 1949. A charge that she had prisoners killed so their tattooed skins could be made into lampshades was thrown out by the German court on grounds that the evidence was hearsay. [See Vol. X, p. 162F]

The Saar, coal-mining and steel-making district (pop. 1,000,000) between France and the Rhine, was granted "independence" by France Jan. 1. It has an economic union with France and its status is subject to terms of Germany's final peace treaty. [See Vol. X, pp. 178J, 75C] India's "state of war" with Germany, dating back to Sept. 1939, was terminated Jan. 1 pending the final peace treaty. [See Vol. X, p. 299A]

Eisenhower Tour. Gen. Dwight D. Eisenhower continued his flying tour of Atlantic pact capitals to survey existing defense plans and urge stronger efforts to build up the Atlantic forces he will command. From The Hague Jan. 11 he went to Copenhagen Jan. 12, Oslo Jan. 13, then spent 3 days in London. British officials outlined plans to increase their 3-year arms program to $12.6 billion from the $10 billion first planned, promised to double tank and plane production and raise about 10 new territorial divisions. In Lisbon Jan. 16 he was urged by Premier Antonio de Oliveira Salazar of Portugal to include Spain in the Atlantic forces. Oliveira said Spain could raise a 2,500,000-man army in event of war. [See Vol. X, p. 318D]

Eisenhower reached Rome Jan. 17. Next day 3 persons were killed in scattered Red riots throughout the country. Police blocked plans for huge anti-Eisenhower strikes and riots by arresting 1,000 top Red "activists." [See p. 3C]

UNITED NATIONS

Genocide Pact Effective. The UN Convention on Prevention & Punishment of the Crime of Genocide became effective Jan. 12, 90 days after its 20th ratification. Genocide—mass extermination of a national, ethnic, racial or religious group—thus became a crime under written international law.

The pact has been ratified by 27 countries (9 non-UN members). France is the only Big 5 ratifier to date, Australia the only British Commonwealth ratifier. Of the Soviet bloc, Bulgaria, Poland and Rumania have ratified. A U.S. ratification measure got no farther than a Senate subcommittee last year. Some Americans, including the American Bar Assn., oppose the pact on grounds it would subject American citizens to jurisdiction of an international criminal court.

Polish-born Prof. Rafael Lemkin, 49, now of Yale Law School, coined the word "genocide" and first asked the League of Nations to outlaw genocide in 1933. The UN approved the pact in 1948. [See Vol. X, pp. 392M-N, 331F, 43G; VIII, 393E]

Lie Doubts World War. Secy. Gen. Trygve Lie predicted in Geneva Jan. 15 that despite the Korean war [see p. 13E], "a general war will be avoided" in 1951 and "the good sense of the leaders of the world will prevail." He conferred at Intl. Red Cross Hq. in Geneva on Korean and Greek relief problems [see Vol. X, pp. 415A, 422A, 392N]. In Paris Jan. 16 Lie was said to have been told by French officials they do not want the 1951 Gen. Assembly session held in Paris because of the expense to France and its probable conflict with a French general election campaign.* [See Vol. X, p. 408C]

Balkans. The UN Special Balkans Com. Jan. 10 denounced the Greek rebel "Free Greek Radio" (supposedly in Albania), the Budapest and Warsaw radios and Cominform Journal in Bucharest for repeatedly saying Yugoslavia and Greece threaten the security of Albania and Bulgaria. The committee said its observers have certified there are no Greek preparations for military aggression. It accused Cominform propagandists, not their foes, of creating "an atmosphere conducive to hostilities" in the Balkans. [See pp. 21G, 10C, E, 9C, K; Vol. X, 423M, 392N]

News Pact Parleys Renewed. A new start on drafting a UN treaty on freedom of information was begun in Lake Success, N.Y. Jan. 15 by a 15-nation Com. on the Draft Convention on Freedom of Information. Dr. Raul Noriega of Mexico was elected committed chairman. The group's chief task: to settle disputes over how far the pact should go in limiting press-radio freedom. Britain and the U.S. held that a treaty text abandoned last year contained too many curbs, threatened to become a "control" instead of a "freedom" pact. [See Vol. X, p. 408B]

*France must hold a Natl. Assembly election at least every 5 years. Last was in Nov. 1946. [See Vol. X, p. 222G-H; VI, 367J, 133G]

Russians. The Soviets paid $7,988 in city and county taxes Jan. 10 on their UN delegation's 45-room mansion in Glen Cove, N.Y. Previously they had claimed diplomatic immunity from taxes [see X, p. 408G]. In one of their rare reports to UN on Soviet internal affairs, the Russians told the Permanent Central Opium Board Jan. 16 that "there is no opium smoking" and illicit dope traffic "does not occur" in the USSR. [See p. 4A-B]

Production by the world's mining and manufacturing industries in July-Sept. 1950 was 63% above the 1937 level, 19% above the 3d quarter of 1949, a UN statistical report said Jan. 9. Non-U.S. production was up 50% from 1937, 16% from 1949. [See p. 8N]

Italian Somaliland's Italian-UN Admin. opened a school Jan. 5 to train natives to serve in the future independent Somaliland Govt. [See Vol. X, p. 392H-J]

NATIONAL AFFAIRS

THE PRESIDENT

Budget for Fiscal 1952

$71½ Billion Requested. Pres. Truman submitted to Congress Jan. 15 a budget calling for expenditure of $71,594,000,000 in fiscal 1952 (the 12-month period beginning July 1, 1951). Contract authority requested would bring this up to $94,429,000,000. Mr. Truman estimated receipts at $55,138,000,000 and served notice that he would try to make up the $16,456,000,000 deficit by recommending more taxes. He indicated that his tax request might go as high as $20 billion. (Revised estimates placed fiscal 1951 expenditures at $47,210,000,000, receipts at $44,510,000,000 and the deficit at $2,698,000,000.)

The 1952 budget was based on predictions of a record $245 billion national income, compared with $211 billion originally estimated for fiscal 1951. National income was estimated at a $223,400,000,000-a-year rate for Oct.-Dec. 1950.

The largest "peacetime" budget in U.S. history, it was detailed in a 25,000-word message delivered to both houses of Congress by a special messenger. Govt. spending under the 1952 budget would amount to $477 for every person in the country, compared with $311 per capita expected for fiscal 1951.

West Europe was reported both amazed and gratified at the size of the budget.

Money for 'Security.' "This is a budget for our national security in a period of grave danger," Mr. Truman said in the message. Consequently, $52,510,000,000 or 73% of the proposed appropriations was to go for "major national security programs." This compared with $27,044,000,000 in fiscal 1951.

In 1952 the armed services would have authority to spend $60,971,000,000, including $41,421,000,000 from appropriations.* Revised estimates put 1951 military contract authority at $52 billion composed of a $13,300,000,000 initial request, $28,700,000,000 subsequently authorized by Congress and an additional $10 billion announced in the current message.† These 1951-52 figures would raise the armed forces spending total since the Korean fighting started to $112 billion. Mr. Truman warned, however, that the 1952 estimates were only tentative.

The President did not say how the military funds were to be divided among the services. He revealed, however, that most of the money (60% according to military spokesmen) would go for modern equipment. He expected that by the end of fiscal 1952 the U.S. would have 3,500,000 men under arms, a ground force equivalent to 24 divisions (not counting 2 full Marine divisions and other Marine units), at least 85 air groups and about 500 combat ships. He asked for free $10,000 life insurance policies for all servicemen, including those who died since the Korean fighting started.

Mr. Truman also requested $450 million, $265 million of it in appropriations, to start the new civilian defense program and a $164 million appropriation to disperse Govt. agencies now clustered in Washington. He asked for $1,403,000,000 to spur defense production and administer economic controls and for $354 million for the merchant marine.

Foreign Aid. "In our drive to build up our defenses, we and the countries associated with us have a 2-fold goal," Mr. Tru-

THE BUDGET

Based on existing and proposed legislation for following fiscal years:

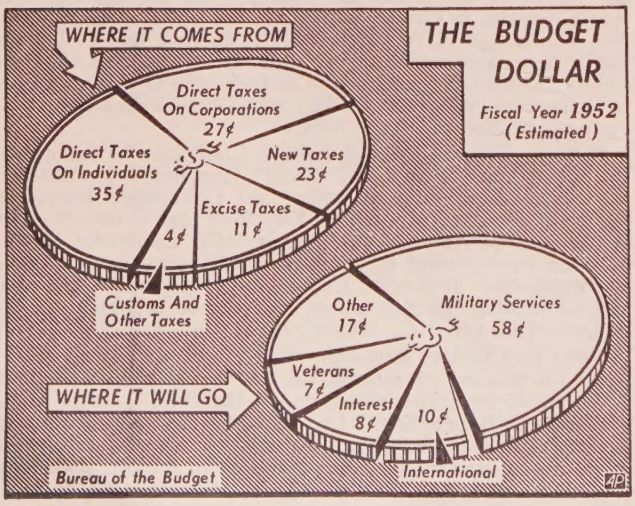
RECEIPTS:	1950 Actual	1951 Est.	1952 Est.
Direct taxes: On individuals	$18,115,000,000	$22,309,000,000	$26,780,000,000
On corpns.	10,854,000,000	13,560,000,000	20,000,000,000
Excise taxes	7,597,000,000	8,240,000,000	8,222,000,000
Employment taxes: Existing	2,892,000,000	3,774,000,000	4,709,000,000
Proposed	.....	.....	275,000,000
Customs	423,000,000	600,000,000	620,000,000
Miscellaneous	1,430,000,000	1,325,000,000	1,333,000,000
Total	$41,311,000,000	$49,808,000,000	$61,939,000,000
Deduct:			
Appropriations to—			
Fed. old-age & survivors ins. trust fund	2,106,000,000	2,960,000,000	3,823,000,000
Medical care ins. trust fund: Proposed	.....	.....	275,000,000
Refunds (excluding int.)	2,160,000,000	2,336,000,000	2,703,000,000
Total Receipts	$37,045,000,000	$44,512,000,000	$55,138,000,000
EXPENDITURES:			
Military services	$12,303,000,000	$20,494,000,000	$41,421,000,000
Veterans	6,627,000,000	5,746,000,000	4,911,000,000
Intl. security & forgn. relations	4,803,000,000	4,726,000,000	7,461,000,000
Social security, welfare & health	2,213,000,000	2,520,000,000	2,625,000,000
Housing & community devpmnt.	261,000,000	409,000,000	*102,000,000
Education & gen. research	114,000,000	143,000,000	483,000,000
Agriculture & agri. resources	2,784,000,000	986,000,000	1,429,000,000
Natural resources	1,554,000,000	2,117,000,000	2,519,000,000
Transportation & communication	1,752,000,000	1,970,000,000	1,685,000,000
Finance, commerce & industry	227,000,000	368,000,000	1,524,000,000
Labor	263,000,000	212,000,000	215,000,000
Gen. Govt.	1,108,000,000	1,252,000,000	1,351,000,000
Interest	5,817,000,000	5,722,000,000	5,897,000,000
Reserve for contingencies	.....	45,000,000	175,000,000
Adjustment to daily Treasury statement basis	+330,000,000	.....	.....
Total Expenditures	†$40,156,000,000	$47,210,000,000	$71,594,000,000
Deficit	$3,111,000,000	$2,698,000,000	$16,456,000,000

*Deduct, excess of repayment and collections over expenditures.
†Excludes $11 million representing net purchases of U.S. securities.

THE PUBLIC DEBT

	1950 Actual	1951 Est.	1952 Est.
Debt beginning of yr.	$252,770,359,860	$257,357,352,351	$260,300,000,000
Borrowing (net)	4,586,992,491	2,942,647,649	16,000,000,000
Debt end of yr.	257,357,352,351	260,300,000,000	276,300,000,000

1952 Budget Dollar at a Glance



How money for President's $71,594,000,000 budget will be raised and how it will be spent. President wants taxes raised $16,456,000,000 to balance the budget.

*The Senate Small Business Com. reported Jan. 15 that "soaring prices alone" have added $3 billion to defense costs since the Korean attack. Prices of natural rubber went up 133%, tin 83%, wool tops 67%, lead 48%, zinc 16% and steel 12%. [See Vol. X, pp. 410H, 403M, 60B]

†The Defense Dept. reported Jan. 12 that it spent (or ordered) $18.3 billion, including $12 billion for major matériel, during the first half of fiscal 1951 (July-Dec. 1950). [See Vol. X, p. 410C]

man declared: "first, military forces strong enough to provide a powerful deterrent to those who may be contemplating new aggression; 2d, readiness for immediate mobilization of all power if that becomes necessary." $10,956,000,000 was therefore requested for foreign programs in 1952, mainly for military and economic aid to mobilize the strength of the free world. $7,461,000,000 would be in appropriations. More than half would be for military equipment shipped from the U.S.

Mr. Truman assured Congress that aid to European countries "will be conditioned upon their carrying out their full responsibilities for building the defensive strength of the North Atlantic Treaty community." In most cases economic aid to Europe would be used to help allies build up their military rather than their economic strength. The President urged continuation of the Marshall Plan beyond its 1952 termination date.

Non-Defense Items. Mr. Truman stressed the fact that many of the $9,834,000,000 in non-military items in the budget contribute to defense by improving the economy, health and welfare of the nation. Non-defense-connected spending has been cut wherever possible, he said. Despite wide curtailment of non-military public works, however, he requested $3.4 billion for civilian works projects, $500 million more than in 1951.

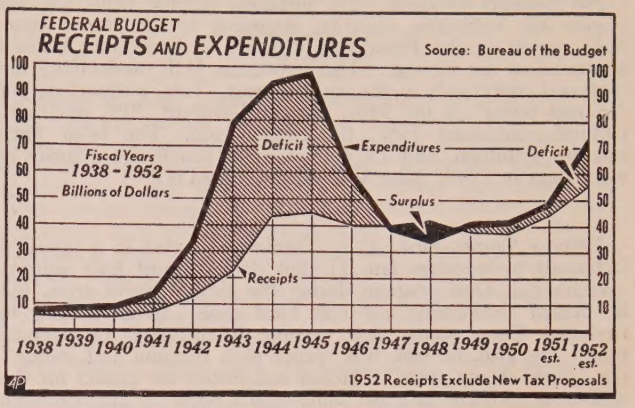
Mr. Truman renewed his request for compulsory health insurance, proposing a 0.5% payroll tax shared equally by employers and employes yielding $275 million in the initial year. He again urged expansion of social security and unemployment insurance, a fair employment practices act, disability insurance, approval of the St. Lawrence Seaway & Power Project, increase in postal rates to avert an indicated $521 million Post Office deficit, $290 million for aid to elementary and secondary schools (but avoiding mention of controversial bans on aid to parochial schools), enactment of the Brannan farm plan and continuation of the housing program. He reported that the Navy would transfer administration of American Samoa and the Trust Territory of the Pacific Islands to the Interior Dept. July 1.

BUDGET EXPENDITURES BY AGENCY

	1950 Actual	1951 Est.	1952 Est.
Legislative branch	$56,755,649	$62,144,138	$68,776,345
The Judiciary	23,967,260	25,358,006	26,090,065
Exec. Office of President	8,406,888	21,261,139	34,461,071
Funds appropriated to President	3,626,993,966	4,154,848,843	8,336,760,001
Independent offices:			
American Battle Monuments Comm.	1,120,583	6,705,000	6,950,000
Atomic Energy Comm.	550,198,502	817,587,587	1,277,017,666
Civil Service Comm.	323,440,545	325,452,201	343,170,200
DP Comm.	3,585,134	6,880,000	8,020,000
Export-Import Bank	49,209,954	100,619,072	105,600,000
Fed. Communications Comm.	6,815,318	6,577,217	6,753,911
Gen. Accounting Office	34,588,885	32,812,802	31,286,500
Interstate Commerce Comm.	11,622,089	11,121,624	11,372,525
Natl. Advisory Com. for Aeronautics	54,484,474	62,510,000	78,510,000
NLRB	8,628,079	8,528,258	8,586,385
Philippine War Damage Comm.	136,273,858	89,036,445	.....
R.R. Retirement Board	596,259,696	605,137,421	656,018,152
RFC	556,514,249	*79,131,898	22,681,000
SEC	5,891,062	6,128,500	5,871,900
Selective Service System	9,119,799	37,039,519	45,000,000
TVA	19,195,577	170,523,819	236,597,000
Veterans Admin.	6,626,145,600	5,820,422,786	4,912,711,374
Other	40,406,521	45,638,780	289,519,435
Fed. Security Agency	1,443,462,677	1,736,602,429	2,154,483,011
Gen. Services Admin.	574,394,845	1,116,300,295	1,650,896,325
Housing & Home Finance Agency	*312,933,288	305,414,282	*568,122,591
Agriculture Dept.	2,955,749,246	1,182,769,341	1,629,330,672
Commerce Dept.	863,082,852	954,936,384	1,115,980,772
Defense Dept.:			
Military functions	11,889,056,476	20,000,000,000	40,000,000,000
Civil functions	1,344,715,194	1,063,983,509	856,940,116
Interior Dept.	568,435,344	704,439,495	609,886,961
Justice Dept.	131,290,804	150,654,196	153,790,455
Labor Dept.	257,043,997	217,772,202	220,777,795
Post Office Dept. (gen. fund)	592,656,339	631,756,688	160,000,000
State Dept.	361,226,112	353,373,044	371,891,507
Treasury Dept.:			
Int. on public debt	5,720,354,158	5,625,000,000	5,800,000,000
Other	676,003,820	774,482,472	739,651,123
Dist. of Columbia (Fed. contrib.)	12,000,884	10,800,000	12,000,000
Reserve for contingencies	.....	45,000,000	175,000,000
Adjustment to daily Treasury statement basis	+329,636,566	.....	.....
Total Expenditures	†$40,155,799,714	$47,210,485,596	$71,594,259,676

*Deduct, excess of repayments and collections over expenditures.
†Excludes $11,036,200 representing net purchases of U.S. securities.

Red Ink 13 out of 15 Years



Govt. has operated at loss for 13 out of last 15 years. Deficit mounted sharply in World War II. Only in 1947, 1948 were there surpluses. Huge taxes could balance 1952 budget.

Reaction. Congressmen of both parties agreed that the President would have his defense requests approved without trouble. Republicans and Southern Democrats, however, charged that Mr. Truman was trying to link some Fair Deal spending programs with the emergency. Sen. Harry F. Byrd (D., Va.) said that the budget "increased non-defense spending to the highest level in the history of the nation, whether in peace or in war." The President "has failed to keep his pledge" to cut such expenditures, he declared. Rep. Joseph W. Martin (R., Mass.) and Rep. John Taber (R., N.Y.) called the non-military items "the same old, tired Socialist program." Rep. Clarence Cannon (D., Mo.), chairman of the House Appropriations Com., lauded the budget, however, for cutting "non-military spending to the core." Grain prices soared on the Chicago exchange as a result of the budget message. [See Vol. X, pp. 11K-12M]

Economic Message

'Pay-As-You-Go' Proposal. Pres. Truman's budget recommendations were foreshadowed in his annual economic message to Congress Jan. 12. In it he demanded "much higher taxes" from "all economic groups" to put national defense on a "pay-as-you-go basis." He estimated that costs of rearming and national security would exceed $140 billion in the 2 years ending June 30, 1952. The defense effort will require a greatly expanded economy, increased production, wage-price curbs and other economic controls and longer working hours, he said. He warned that "no matter how efficiently we do our jobs, all of us must make sacrifices." But he was convinced that "if the free nations mobilize and direct their strength properly, they can support whatever military effort may be necessary to avert a general war or to win such a war if it comes."

3-Fold Task. "Our job has 3 parts," the message said: (1) "we must achieve a large and very rapid increase in our armed strength while helping to strengthen our allies"; (2) the U.S. must expand, as rapidly as possible, "our capacity for producing military supplies"; this expansion "must be large enough to enable us to swing rapidly into full-scale war production if necessity should require"; (3) "we must maintain and expand our basic economic strength . . . so that we can continue to grow stronger rather than weaker if it should prove necessary to continue a defense effort of great size for a number of years."

Production Goals. The U.S. "can and should" boost industrial output 7% over current levels by the end of this year and at least 25% in 5 years, Mr. Truman declared. The need for more steel is complicated by depletion of the high-grade Lake Superior ore fields, he revealed. The U.S. must therefore rely more & more on lower-grade domestic ores and imports. He urged development of Labrador and Venezuelan ore facilities. Steelmaking capacity should be raised from the current 103 million ingot tons a year to 120 million tons in the next 3 or 4 years, he said. He also called for a 20 million-kw. expansion of U.S. electric generating capacity in the next 3 years. Nearly 18% of national output should go into the defense effort in 1951,

compared with 7% in 1950, he declared. (45% of national output was devoted to the war effort at the height of World War II.)

No Austerity Foreseen. The increased defense effort will not require any noticeable austerity, according to the annual economic review of the President's Council of Economic Advisers appended to the message. This is because U.S. productivity has increased enormously in the past 10 years. Total national output "in real terms" is up 50%, industrial output 70% and agricultural production 25%, the council said. The labor force rose by 8 million, and 13 million more people are actually at work than in 1940. [See Vol. X, pp. 12N-13C]

Defense Comes First. Pres. Truman reiterated in a prepared statement to reporters Jan. 11 that defense must have priority over his Fair Deal program during the present world crisis, but he denied abandoning any Fair Deal goals. In an address to freshmen Congressmen that evening he pleaded for national unity. His goal, he said, was "peace with freedom and justice," not "peace at any price." "Honor and justice are greater for the welfare of your children and mine—and I hope my grandchildren —than fat and ease," he declared. [See p. 5C]

Mends Southern Fences. Reports that Pres. Truman was making gestures of friendship to Southern Democrats were strengthened Jan. 9 by release of a cordial letter from Mr. Truman to Sen. Harry F. Byrd (D., Va.), outspoken Southern critic of the Administration. The President, who last year complained that there were "too many Byrds" in Congress, said in the letter: "I don't think there has ever been any serious differences of opinion between us on the operations of the Government except maybe in some policy approaches." [See Vol. X, pp. 394J-K, 252B]

Signs Bills. A measure setting up a Fed. Civil Defense Admin. and authorizing a $3.1 billion, 3-year civil defense program was signed by Pres. Truman Jan. 12. (He appointed ex-Gov. Millard F. Caldwell of Florida as Civil Defense Admin.) He also signed a bill empowering him to alter existing defense contracts to reflect rising costs and speed output. [See p. 6H-J]

Wins Hadassah Award. The $1,000 Henrietta Szold award of Hadassah, the Women's Zionist Org. of America, was presented to Pres. Truman Jan. 11 for his democratic leadership, humanitarian service and friendship to Israel. He returned the money to Hadassah to start a medical scholarship in the name of his late mother, Mrs. Martha E. Truman. [See p. 5C]

Orders Crisis History. Pres. Truman has ordered the Budget Bureau to prepare a history of the current world crisis to prevent Communists from distorting the record for propaganda purposes, the AP reported Jan. 13. The job has already been started under direction of U. of N.C. Prof. James W. Fesler, 39. [See p. 19G]

Appointments (Jan. 15). Ex-Min.-to-Denmark Monnett Bain Davis, 57, to succeed Dr. James Grover McDonald, 64, as Ambassador to Israel (McDonald's resignation was accepted same day). [See Vols. IX, p. 62D; VIII, 55D] . . . John D. Erwin to succeed Herbert S. Bursley as Ambassador to Honduras. [See Vol. X, p. 365F] . . . Irving Florman as Ambassador to Bolivia (he holds post by recess appointment). [See Vol. IX, p. 372A] . . . Mrs. Eleanor Roosevelt (reappointment) as U.S. representative on UN Economic & Social Council's Human Rights Comm. [See Vol. X, p. 387G] . . . George Pierce Baker (reappointment) as U.S. representative on UN Ec. & Soc. Council's Transport & Communications Comm. [See Vol. VIII, pp. 261N, 32H] . . . Thomas D. Cabot, 53, as Director of Internal Security Affairs (State Dept. post supervising arms aid to friendly nations). [See Vol. VIII, p. 155J]

FOREIGN POLICY DEBATE

2-Pronged Attack. GOP Congressmen centered their fire this week on 2 phases of the Administration's foreign policy: (1) Pres. Truman's insistence that he has the Constitutional right to send more U.S. troops abroad; (2) U.S. acceptance of the UN cease-fire terms on Korea offered to Red China.

After vehement debate in and out of Congress on the first issue, Administration leaders agreed to a compromise that would let the Senate vote affirmatively on sending armed aid to Europe without touching on the President's power to do so. Debate on the second point, marked by denunciations of the "deal" as "another Munich," became academic Jan. 17 with Red China's rejection of the truce and the U.S.' rejection of Peiping's counter-offer. Prior to this action members of both parties pressed for UN condemnation of Red China as an aggressor and for U.S. aid to Chiang Kai-shek and opposed concentrating U.S. defense on the Western Hemisphere to the neglect of Europe.

Meantime there was a growing demand that the U.S. lend aid to underground movements inside the USSR and its satellites.

The "Great Debate" day by day:

Democratic Rebuttal. Democrats began their rebuttal to Sen. Robert A. Taft's (R., O.) speech in the Senate Jan. 11. Sen. Tom Connally, chairman of the Senate Forgn. Relations Com., scored Taft on virtually every point: He said the President has power to send troops abroad without Congressional approval and cited more than 100 occasions. He said Taft's view that Russia does not expect to start a war with the U.S. is a "dangerous delusion" disproved by the facts. He said Taft's argument that to help Europe establish a strong united army would invite Soviet attack is a "strength-through weakness philosophy" in that it implies that "if we want to avoid attack, make no preparation for it." As for limiting U.S. commitments to Europe, he said: "You cannot put a price tag on world peace," and "I do not believe in shopping for security at the bargain counter." [See p. 5E]

Taft denied he had suggested that the U.S. repudiate its obligations to help defend Europe under the North Atlantic Treaty. He again urged the President to accept Chiang Kai-shek's offer to send 30,000 Chinese Nationalist troops to Korea and also let Chiang "invade" the Chinese mainland.

Republicans Disagree with Taft, Hoover. 2 Republicans—Sen. Henry Cabot Lodge Jr. (R., Mass.) and Sen. William F. Knowland (R., Calif.)—disagreed with Taft's and Herbert Hoover's views Jan. 11 and were followed by Sen. Charles W. Tobey (R., N.H.) Jan. 12, Harold E. Stassen Jan. 14, Sen. Ralph E. Flanders (R., Vt.), Sen. Wayne Morse (R., Ore.) and Sen. Styles Bridges (R., N.H.) Jan 15 and Sen. Alexander Wiley (R., Wis.) and others Jan. 17. [See p. 5N]

Lodge said Jan. 11 that only "questions of degree . . . and method" divide the 2 parties. He criticized the Administration for its "belated efforts to meet the challenge of communism" but agreed that the President would be hamstrung by a provision that Congress approve in advance any decision to send troops abroad. He also favored strong aid to Europe, said the Ruhr and Japan must be held against communism at all costs.

Knowland said the same day: "We will not let our allies down nor must they let us down." He favored sending one American division to Europe for every 6 raised by the West European nations until 10 American and 60 European divisions were in the field. The next day, Jan. 12, he warned against "another Munich" in the Far East which would betray the Chinese Nationalists on Formosa to the Chinese Reds. Rep. Charles E. Potter (R., Mich.) urged in the House that the U.S. "take the handcuffs off" the Formosa forces and allow them to attack.

Troop Issue. Chicago attorney Albert J. Meserow contributed to the debate over sending troops abroad Jan. 12 when he released a letter from Abraham Lincoln to the latter's law partner, William Herndon (written in Feb. 1848), in which Lincoln said: "Allow the President to invade a neighboring nation whenever he shall deem it necessary to repel an invasion . . . and you allow him to make war at pleasure." Lincoln added that the Constitution gave the war-making power to Congress only.

2 Democrats urged Congressional action before the dispatch of any more troops. Sen. Walter F. George (D., Ga.) said Jan. 13 that the President should submit the question to Congress. Sen. Paul H. Douglas (D., Ill.) urged Jan. 14 that the Senate endorse the Brussels agreement under which the U.S. is pledged to supply troops to the European army. Sens. Homer Ferguson (R., Mich.), Bridges and H. Alexander Smith (R., N.J.) favored a Congressional vote. Most agreed Jan. 14 that if Gen. Dwight D. Eisenhower asks for more troops he will get them.

Harold E. Stassen, U. of Pennsylvania president, said in a Washington radio appearance Jan. 14 that Taft does not speak for the Republican Party on foreign policy. He said 35 of the 47 GOP Senators will approve sending more troops to Europe.

Taft, speaking in New York Jan. 15 attacked the President's claim that he can commit American troops to an international command without Congressional sanction as precipitating "a constitutional crisis affecting the whole basis of the U.S. and the liberty of the people themselves."

By Jan. 16 Administration leaders were ready for a compromise. The Senate Democratic Policy Com. agreed to let the Wherry resolution against sending more troops abroad until

Congress formulates a policy be brought up next week. Then they planned to refer it to the Forgn. Relations Com. to be held until Eisenhower made his report. Meantime an affirmative resolution will be prepared stating that the Senate supports full armed aid to Europe. [See p. 4M]

State Secy. Acheson agreed Jan. 17 that the North Atlantic Treaty does not "require" that the U.S. send more troops to Europe, but he said the changed world situation makes it necessary to do so. Pres. Truman said Jan. 18 he would welcome a Senate declaration indorsing the sending of troops to Europe but he was going to do whatever was necessary to meet the situation. Taft relented a bit too Jan. 18, saying the U.S. has "got to work together" with West Europe but Congress should limit the number of divisions the President can send over.

China Issue. Taft also entered the debate against "complete appeasement" of Red China Jan. 13 and 15. Stassen said Jan. 14 the U.S. should either bomb Red China, if other allies agree, or "pull our boys out" of Korea "promptly." He said Acheson should resign because he has lost the confidence of the American people. [See pp. 13K-14B]

Bridges on Russia. Sen. Styles Bridges (R., N.H.) urged the U.S. Jan. 15 to sever diplomatic relations with the Soviet Union on the grounds that it is already at war with the free world and begin all-out mobilization to insure victory.

Underground Movements. Stassen Jan. 15 again spoke of "discontent and unrest" in the USSR, including the Red Army, and, in his Washington broadcast offered a foreign policy based on these principles: Independence for Soviet Ukraine, Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Rumania, Bulgaria and Hungary. Release of Russia's millions of slave laborers. Granting Russian lands to Russian peasants for their own farming. Insuring labor's rights and the freedom of religion throughout the world. Establishing a democratic and united Germany. Returning Manchurian assets to a democratic China. [See p. 5N]

Sen. Alexander Wiley (R., Wis.) urged in a N.Y. speech Jan. 17 the creation of a U.S. Board of Counter-Revolutionary Strategy to "stir up trouble behind the Iron Curtain." "Let's beat the Reds at their own game." [See Vol. X, p. 424M]

Mykola Lebed, general secretary of the Foreign Representation of the underground Ukrainian Supreme Liberation Council in Soviet Ukraine, told *Facts on File* Jan. 9 that both underground and open armed resistance against the Soviet Union continues. He offered photographs, letters and anti-Soviet publications printed in Ukraine in 1950 as evidence. He is seeking U.S. recognition of the Council. [See Vol. X, p. 339H]

Atlantic Union. 27 Senators and 7 Representatives sponsored the Atlantic Union resolution in Congress Jan. 15. It calls for a conference of Atlantic powers to move toward creation of a political and economic union within the UN. Sen. Estes Kefauver (D., Tenn.) reintroduced the resolution, which died in committee last year. [See Vol. X, p. 42H]

Hoover vs. Dulles. Sen. Knowland recently asked Hoover and John Foster Dulles for comment on press reaction to their speeches. Hoover telegraphed him Jan. 12 that 68% of all editorial comment favored his proposal to base U.S. defense on the Western Hemisphere. Dulles wrote Jan. 17 that according to letters and telegrams he received "a great majority" of the American people favor collective action with other nations against communism. [See p. 5N; Vol. X, 424D]

Spaak Scored. Paul-Henri Spaak, chairman of the Assembly of the Council of Europe and former Belgian Premier, said upon arriving in New York for a lecture tour Jan. 13 that if the U.S. adopted the Taft-Hoover proposals on foreign policy "there would be a wave of despair in Europe." When he criticized Hoover in an article, Sen. Ferguson demanded in the Senate Jan. 16 that the Belgian Govt. apologize and that Spaak go home. [See Vol. X, p. 229M]

Indiana Action. The Indiana House (Republican-controlled) passed a resolution Jan. 16 condemning U.S. and UN policy of negotiating with Red China. It demanded that China be condemned for aggression, that other UN members send more ground troops to Korea, that the U.S. adopt a policy of "all out or get out" in Korea and that the Formosa Chinese be armed.

A resolution asking the House of Representatives to begin impeachment proceedings against Secy. Acheson was introduced in the Calif. State Senate Jan. 15 by Sen. Jack B. Tenney, Los Angeles Republican. [See Vol. IX, p. 206A]

Counter-Propaganda. The State Dept. has held the first of a series of roundtable discussions with prominent Americans on how to step up its counter-propaganda against communism, it was disclosed Jan. 13. Writers, historians, a labor leader, educators, a theologian and a corporation president met with State officials Jan. 10-11. [See p. 18D-E; Vol. X, 308H, 283K, 213E]

CONGRESS

Exports to Reds Charged. Sen. Herbert R. O'Conor (D., Md.) told the Senate Jan. 17 that Commerce Secy. Charles Sawyer did not halt export of strategic and critical materials to Red China until his (O'Conor's) Senate Commerce subcommittee virtually forced him to do so. O'Conor denied what he called Sawyer's charges that the subcommittee falsified and misrepresented facts and investigated in an unfair manner. He said that during Aug.-Oct. 1950 exports from New York to China included more than 19,381,014 lbs. of tin-mill waste, 4 million lbs. of other steel products, 2½ million lbs. of galvanized pipe, 167,774 lbs. of boilertube, 419,171 lbs. of aluminum and 669,000 lbs. of silicon steel. [See Vol. X, p. 416N]

RFC Bribe Charge. Rep. Pat Sutton (D., Tenn.) charged in the House Jan. 11 that RFC officials had accepted "bribes to secure loans on different projects." He did not identify the officials but said they had forced the Lustron prefabricated housing company into bankruptcy because it would not follow the precedent set by some RFC members in granting loans. Sutton said his charges would be borne out in a still unwritten report by a Senate Banking subcommittee expected at the end of the month. Sen. J. William Fulbright (D., Ark.), the subcommittee's chairman, declared, however, that "no instances of bribery have been found" in his group's investigation of the RFC.

Fulbright introduced legislation Jan. 16 to abolish the 5-man board that now heads the RFC and have the agency run by one man. The Senate has twice failed to act on Pres. Truman's request for confirmation of his 5 nominees to the RFC board. (The RFC last Nov. 9 increased its interest rates from 4% to 5% in a program to place its operations on a paying basis. It also announced a schedule of fees for businesses applying for or benefiting by RFC credits.) [See Vol. X, pp. 424B, 252A]

Tobey Gets Foreign Post. Sen. Charles W. Tobey (N.H.), bipartisan foreign policy supporter, Jan. 12 won the new GOP seat on the Senate Foreign Relations Com. opened to the party as a result of its election gains. [See Vol. X, p. 424N]

Sen. Styles Bridges (N.H.) resigned the chairmanship of the Senate Republican Campaign Com. Jan. 11. Sen. Everett M. Dirksen (Ill.) was appointed to replace him Jan. 12. [See p. 6L]

GI Insurance Backed. Pres. Truman's request for free $10,000 Govt. life insurance policies for all servicemen was unanimously approved by the House Veterans Affairs Com. Jan. 16. Controller Gen. Lindsay C. Warren had said Jan. 11 that the bill would save a "mountain" of Veterans Admin. paper work. [See p. 16N]

(John Hancock Mutual Life Insurance Co. announced in Boston Jan. 16 that it would start adding war-risk clauses to some policies written after Jan. 25.)

'5 Percenter' Bill Approved. A bill aimed at "5 percenters" was approved by the House Ways & Means Com. Jan. 17. The measure would authorize renegotiation of defense contracts to recapture excess profits. "5 percenters," who get defense contracts for clients for a percentage of the order, would be subject to renegotiation in any year in which they earn more than $25,000. Regular contractors and subcontractors would come under the law if their payments from the Govt. exceed $100,000 a year. Rep. Kenneth B. Keating (R., N.Y.) charged Jan. 12 that "5 percenters" were again operating on a large scale. He introduced a bill requiring them to register with Congress. The trade magazine *Broadcasting-Telecasting* reported Jan. 15 that contract brokers were now demanding a 7½% fee. [See Vol. X, p. 20J]

Radio Control Asked. A bill giving the Govt. power to control all radio and television stations in an emergency was introduced by Sen. Edwin C. Johnson (D., Colo.) Jan. 17. He offered it on request of the Defense Dept., but he called it "the most dictatorial and far-reaching control bill to ever reach Congress." He said he was not sure it was necessary and would insist on full hearings. Purpose of the measure is to keep enemy planes from following radio or other electromagnetic waves to U.S. targets. Johnson said the bill would apparently apply to any electric motor since all produce such waves. [See p. 7H]

Rosenberg Accusers Probed. The Senate Armed Services Com. asked the Justice Dept. Jan. 15 to investigate the possibility that witnesses who accused Mrs. Anna M. Rosenberg of Communist

sympathies had committed perjury. The communism charges were made by Ralph de Sola and Benjamin Freedman during Senate hearings. The Senate confirmed her as Asst. Defense Secy. [See Vol. X, p. 417B-C]

3 Freed in Contempt. 3 more of the 39 persons in Hawaii indicted for contempt of Congress in the House Un-American Activities Com. inquiry into communism were freed in Honolulu Jan. 16. Charges against 2 others had been dismissed previously. Fed. Judge Delbert E. Metzger cited the recent Supreme Court ruling that the defendants were within their rights in refusing to testify on communism. Acquitted: Charles K. Fujimoto, chairman of the Communist Party of Hawaii, John Reinecke, Mrs. Esther Bristow. [See Vol. X, p. 261M]

MOBILIZATION & DEFENSE

Air Force Calls Reservists. The Air Force announced Jan. 18 that it would put almost 158,000 reservists into uniform in the next 6 months. They include the bulk of the 58,000-man AF Organized Reserve, about 80,000 men in the Volunteer Reserve and at least 12 Air Natl. Guard wings numbering 20,000 men. The AF's ultimate goal is 95-100 groups and 971,000 men. About 54,500 other AF reservists and Guardsmen have already been activated. [See Vol. X, p. 410A]

Draft of 18-Year-Olds Urged. Legislation calling for all qualified youths to begin 27 months' military service when they become 18 was submitted to Congress by Defense Secy. George C. Marshall Jan. 17. The bills would not allow any draftees to be sent abroad before they finish 4 months' training. This made it improbable that any of them would see combat before they become 19 "except in a dire emergency," Marshall said. Registration would be required at the age of 17. Prominent educators who appeared before the Senate Preparedness subcommittee Jan. 17 approved 18 as a suitable draft age, but a flood of letters and telegrams from parents condemned the proposal.

Asst. Defense Secy. Anna M. Rosenberg told the Senate subcommittee Jan. 12 that Pres. Truman had raised the strength goal of the armed forces to 3,462,502 by June 30. The increase, from a previous goal of 3,200,000, will put the nation "200,000 in the red" unless 18-year-olds are drafted, she said.

Mr. Truman Jan. 15 authorized draft boards to allow men in the 18-26 age bracket to volunteer for induction. This will allow them to be discharged after the present 21-month draft period instead of having to serve the 3 years required of men who enlist voluntarily. All draft volunteers will be sent to the Army, the only service currently taking draftees. This step was taken to quiet Army complaints that most of the higher grade volunteers were electing the other services. [See p. 7C]

About 210,000 doctors, dentists and veterinarians registered for the draft Jan. 15. These were all the medical men under 50 who had not registered Oct. 16, 1950. [See Vol. X, p. 349B]

The FBI reported Jan. 12 that it has investigated almost 9,000 draft violations and was getting more than 2,200 cases a month. 170 draft violators were convicted through Dec. 31. The FBI said its chief aim was to provide men for the services rather than to prosecute them. [See Vol. X, p. 426B-C]

VA Medical Director Ousted. Ouster of Dr. Paul B. Magnuson as chief medical director of the Veterans Admin. was revealed Jan. 14. Veterans Admin. Carl R. Gray Jr. appointed Vice Adm. Joel T. Boone, 61, former White House physician, to replace Magnuson and announced that Magnuson's "previously presented" resignation had been accepted. Magnuson declared: "I didn't resign—I was fired." He said his ouster was the result of a 3-year dispute over whether "doctors or bureaucrats are going to run the VA hospitals." The VA's Medical Advisory Board supported Magnuson's policies Jan. 16 but simultaneously pledged "loyalty and support" to Boone. [See Vol. X, p. 341F]

Shipbuilding Program Voted. A $2 billion Navy shipbuilding and modernization program was passed by the House 365-0 Jan. 17 and sent to the Senate. The bill covers construction of a $235 million, 57,000-ton super-aircraft carrier capable of launching atom bombers. It will take 3½ years to build. The measure forbids the President from selling or transferring to any foreign government any usable "battleship, carrier, cruiser, destroyer or submarine" without prior Congressional approval.

(The aircraft carriers *Essex* and *Bon Homme Richard* were recommissioned in Bremerton, Wash. Jan. 15.) [See p. 7F]

Aircraft. U.S. B-36s made their first appearance in Europe Jan. 16 when 6 landed at Lakenheath, Eng. They left Ft. Worth, Tex. Jan. 13, paused at Limestone Air Base, Me. and then continued to England, dropping practice bombs en route. Flying time for the 7,000 miles was about 24 hours.

Large Air Force orders of F-84F jet planes (a new swept-back wing version of the F-84E Thunderjet) for support of ground forces was announced by Republic Aviation Corp. Jan. 13. The most heavily armed plane of its type, it can carry more than 32 high-velocity aircraft rockets. Its top speed exceeds 600 mph., its combat radius 1,000 miles and its service ceiling 45,000 feet. [See Vol. X, pp. 416L, 399N]

Recruit Rank Abolished. The Army announced Jan. 16 that it was abolishing the rank of "recruit." Newly enrolled men will become privates immediately but draw the $75-a-month recruit's pay during the first 4 months of service. Then, if "qualified," they will get the $82.50 monthly which was the private's basic pay before the change. [See Vol. VIII, p. 238J]

Govt. Loses Fraud Suit. U.S. Dist. Judge Rubey M. Hulen in St. Louis Jan. 16 dismissed the Govt.'s $214,878,725 damage suit against the U.S. Cartridge Co. He said the Govt. had failed to prove fraud in the company's presentation of claims for defective World War II ammunition it had made. [See Vol. V, p. 237E-F]

Pearson Investigated. Prompted by Sen. Joseph R. McCarthy (R., Wis.), the Army said Jan. 12 it was investigating how Drew Pearson obtained secret messages from Gen. Douglas MacArthur's Tokio Hq. which he quoted in a Dec. 30 column. Pearson said that although MacArthur's press communiqués in early December reported the invading Chinese to be 1,000,000 strong his cables to the Pentagon gave the figure as only about 100,000. [See Vol. X, p. 417F]

Maj. Gen. Maxwell D. Taylor's appointment as Army Asst. Chief of Staff for operations (effective Feb. 1) was announced Jan. 16. He is being replaced as U.S. commander in Berlin by **Brig. Gen. Lemuel Matthewson** who was nominated a temporary major general. [See Vol. X, p. 169E] . . . **Maj. Gen. Charles L. Bolte,** whom Taylor was replacing, was named Dep. Chief of Staff for plans with rank of lieutenant general Jan. 16. [See Vol. II, p. 219H] . . . **Lt. Gen. Alfred M. Gruenther** was nominated by Pres. Truman as Gen. Dwight D. Eisenhower's chief of staff at Allied Supreme Hq. in Europe Jan. 16. [See Vol. X, p. 406L] . . . **Maj. Gen. Ira P. Swift,** U.S. Hq. commander in Austria, was appointed commander of the 3d Armored Training Div. at Ft. Knox, Ky. Jan. 15. No new commander for Austria was designated . . . **Maj. Gen. Frederick A. Irving,** deputy commander of the 6th Army in San Francisco, was appointed superintendent of West Point Jan. 11. [See Vol. VIII, p. 381N] . . . **Maj. Gen. James H. Burns,** 64, ex-lend-lease executive, was designated a special assistant to Defense Secy. George C. Marshall Jan. 13 to handle international security affairs. [See Vol. III, p. 268D]

FOREIGN AFFAIRS

GREAT BRITAIN

Cabinet Changes. Prime Min. Clement R. Attlee shifted Aneurin Bevan, Health Min. since 1945 and director of Britain's socialized medicine, to the Labor & Natl. Service Ministry Jan. 17. He will have charge of keeping labor in line on the rearmament program. Pensions Min. Hilary A. Marquand became Health Minister, outgoing Labor Min. George Isaacs became Pensions Minister. Bevan is a leader of the Labor Party's left wing. [See p. 8K; Vol. X, 334A, 324M]

Epidemic. The epidemic of influenza (type A) caused at least 458 deaths in the week ended Jan. 13 with the Liverpool-Newcastle area hardest hit. An outbreak of smallpox causing 8 deaths to date was reported in southern England Jan. 14. The World Health Org. Influenza Center in London said the 'flu epidemic had been traced to an outbreak in Sweden last summer. There are milder outbreaks now in Sweden, Germany, France, Belgium, Netherlands, Spain, Lapland, Greenland, Brazil, Hawaii, Japan, Canada and the U.S. Sea and air travelers from Europe are being checked at U.S. ports for 'flu. [See p. 8M]

Rubber to Soviets. British exports of raw rubber to the Soviet Union in Jan.-Nov. 1950 totaled 9,878 tons, worth £2,236,429

($6,254,001), the British Govt. disclosed Jan. 6. Most of it originated in Malaya. Russia's buying of rubber took a huge jump last year, imports from Britain having been only 482 tons in Jan.-Nov. 1949. [See Vol. X, p. 423G]

Press. A draft constitution of a proposed self-policing council of the British press, recommended by a royal commission 2 years ago, was submitted to newspaper owners and workers by a study group Jan. 12. The council would oversee a voluntary effort by the British press to maintain its freedom and achieve higher standards, would disband if threatened with dictation by the Govt. [See Vol. IX, p. 214H]

Giant Plane Scrapped. Completion of the 100-passenger, 8-engine airliner Brabazon I, on which $50 million has been spent since World War II, was abandoned Jan. 11 because the 130-ton plane had not passed flight tests satisfactorily. It was Britain's chief hope for gaining postwar leadership in manufacture of commercial planes. An improved Brabazon may be developed within 3 years. [See Vol. IX, p. 295H]

Canada. The Canadian Legion, Canada's biggest war veterans' organization (300,000), started a campaign Jan. 12 for compulsory military service and other drastic mobilization moves which the Govt. has not indorsed in advance of the next meeting of Parliament (Jan. 30). Defense Min. Brooke Claxton promised Jan. 12 the Govt. would "do everything necessary to defend the country and take a full share in collective defense." He denied Legion charges that reserve forces lack equipment, said the Govt. has $330 million worth of planes and $96 million worth of ships on order. [See p. 9E; Vol. X, 398L, 309P] . . . Plans for Canada's 2d uranium mine, to be operated by the Govt.'s Eldorado Mining & Refining Co. at Ace Lake, Sask., were announced by the Saskatchewan Provincial Govt. Jan. 10. Uranium is now mined at Great Bear Lake. Plans for a new $30 million atomic pile at Chalk River, Ont. were revealed by Trade Min. C. D. Howe Jan. 2. [See Vol. X, pp. 263H, 121J]

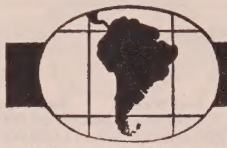
France. A 2-year program of civil defense preparations to cost 20 million francs ($56,800,000) was approved by the French Cabinet Jan. 15. Plans outlined by Interior Min. Henri Queuille provide for dispersal of industries and civilian evacuation of cities in event of atomic or other bombing attack. [See p. 3C; Vol. X, 422H] . . . The Red weekly *Les Lettres Françaises*, editor Claude Morgan and writer Pierre Daix were fined by a Paris court Jan. 12 for libeling David Rousset, French writer campaigning for investigation of concentration camps in East Europe. [See Vol. X, p. 393B-C; IX, 119A] . . . A military court in Paris Jan. 13 acquitted Army Capt. René Azema, draftsman Bernard Jouennea and Communist editors Jacques Friedland of *Regards* and Yves Moreau of *France d'Abord* of giving military secrets to a foreign power. [See Vol. IX, p. 70M]

Iran. Finance Min. Abolghassen Forouhar resigned Jan. 13 (replaced by Abdul Baghi Shoaei) under criticism for not getting enough for Iran from foreign oil companies. A proposed new agreement on oil royalties and taxes he was negotiating with the Anglo-Iranian Oil Co. fell through last month because of Parliamentary and press opposition. Iran threatened Jan. 15 to quit the Intl. Bank if that UN agency refuses a long-standing Iranian request for an $8 million loan to improve the port of Khorramshahr and build 2 cement factories. [See p. 10F, J]

Yugoslavia. Prices of rationed basic foods were reduced 38%-40% by the Yugoslav Govt. Jan. 14 to check alleged profiteering by peasants during the food shortage. Prices were raised 100% on tobacco, matches, salt, oil for home lighting. [See Vol. X, p. 423M] . . . Miss Vojislava Maric, whose father (Gen. Lyubomir) was Yugoslav War Min. in 1936-38, is under 2-year prison sentence for dealing in the black market to get money to escape to the West, the Govt. reported Jan. 14. . . . Yugoslavia is making good on a promise given 6 weeks ago to let Americans of Yugoslav descent go to the U.S., the American Embassy in Belgrade said Jan. 12. 295 persons have been given exit visas, 63 other cases are under consideration, 15 applications have been rejected. The applicants have been trying to get to the U.S. for 4 years. [See Vol. X, p. 101L-M] . . . 7 men convicted of spying on the Yugoslav Army for Bulgaria were given 5- to 20-year prison terms in Nis Jan. 15. [See p. 10C-D]

Czech court in Bratislava convicted 3 Catholic Bishops Jan. 15 of treason and espionage charges which they admitted in court. Pavel Godjic, 62, highest Greek Catholic official in Czechoslovakia, and Roman Catholic Suffragan Bishop Michael Buzalka, 65, received life imprisonment. Roman Catholic Bishop Jan Vojtassak, 73, of Spisske Podhradie drew a 24-year sentence. The Vatican charged Jan. 16 they were "persecuted" into confessing after refusing to accept Czech Govt. control of the church. [See p. 9G-H] . . . **Hungary** is training all members of its army to understand commands in the Russian language, Vienna sources said Jan. 11. Dr. Bela Fabian of the Hungarian Natl. Council charged in New York Jan. 10 that Hungary is preparing to deport 20,000 persons, many of them Jews, to Soviet forced labor camps. [See Vol. X, pp. 423M, 10J; IX, 366H] . . . **India's** Bombay State cut the food-grain ration 25% Jan. 12 [see p. 9K]. The Indian Communist Party held its first public demonstration in Calcutta in 2 years Jan. 13, a provincial ban on the party having been voided by the Calcutta high court Jan. 5. [See Vol. X, pp. 377P, 181P]

Ireland Jan. 3 rolled back prices of many commodities and services to Dec. 2 levels. [See p. 10F] . . . **Liberia's** request for a U.S. military mission to help train the Liberian Army was granted under an agreement signed in Washington Jan. 11. [See Vol. X, p. 251A] . . . **Syria** established full diplomatic relations with Jordan Jan. 15. The countries have had close business relations but no exchange of diplomatic representatives due to political differences over Jordan King Abdullah's plan for a Jordan-Syria union. [See Vol. X, pp. 370K, 142N] . . . **Turkey** reported Jan. 15 the arrest of 37 suspected Communists, including 2 army officers, a university instructor and a journalist, after a series of raids. [See p. 4A; Vol. X, 422D, 158L] . . . **USSR's** Supreme Soviet (Parliamentary) election will be held Feb. 18. Lt. Gen. Vasili Stalin, Moscow military Air Force commander and son of the Premier, was nominated Jan. 14, composer Dmitri Shostakovich Dec. 15. [See p. 9B-C; Vol. X, 138D, 79D]



LATIN AMERICA

Labor Org. Formed. An anti-Communist Inter-American Regional Org. of Workers, a branch of the Intl. Confed. of Free Trade Unions, was organized in Mexico City Jan. 8-12. It includes the AFL, CIO, United Mine Workers and labor federations of 19 other Western Hemisphere nations, but several big groups are excluded for the time being. Mexico's biggest labor force, the Mexican Confed. of Workers, bolted the new organization because a majority of delegations voted against admitting the Argentine Gen. Labor Confed. Argentina, the Dominican Republic and Panama were barred on grounds that their labor organizations are Govt.-controlled. Brazil's Govt. prevented a Brazilian delegation from attending because labor helped Getulio Vargas win Brazil's 1950 presidential election.

The new federation elected Arturo Sabroso of Peru president, picked Havana as hq. [See Vol. X, pp. 355G-H, 110J-K]

Costa Rican Govt. appointments Jan. 14: Amadeo Quiros Blanco to new post of Natl. Controller General (budget director, answerable only to Congress); Ruben Gonzales Flores to succeed Quiros Blanco as Labor Min. The U.S. signed an agreement Jan. 11 to send Costa Rica a health mission and other Point 4 aid. (Nicaragua, Panama, Paraguay have similar agreements with the U.S.) [See Vol. X, pp. 384M, 371B]

Cuban police closed down Havana's red light district (Barrio Colon) Jan. 15 as chief action in a nationwide drive against vice. Political editor Antonio Bayer, 35, of the Havana daily *Tiempo* was killed and 3 aides wounded Jan. 10 by gunmen who shot them in a Havana bar. *Tiempo* is connected with the Socialist Revolutionary Movement, which is feuding with the Insurrectional Revolutionary Union. [See Vol. X, pp. 348L-M, 325L]

Ecuador organized an airlift Jan. 15 to send food to 7,000 persons marooned by floods in a farming region 50 miles northwest of Quito. [See p. 10N]

Mexico has received a heavy influx of dollars since the start of the Korean war. In order to cut down dollar circulation the Govt. ordered Jan. 12 that future increases in private bank deposits of dollars be turned over to the Bank of Mexico. Restrictions on imports also have been lifted. Mexico's dollar reserves, down to $200 million 3 years ago, are now up to $338 million—near the World War II peak of $355 million. [See pp. 10P, 11L; Vol. X, 325N; IX, 207D]

The U.S.' offer of 2 light cruisers (*Phoenix, Boise*) at war-surplus prices for cash was accepted by Argentina Jan. 11. A similar offer has been made to Uruguay. [See p. 11A]

FINANCE & ECONOMICS

A **Manpower Policy.** A "national manpower mobilization policy" providing for imposition of strict manpower controls "when and to the extent needed" for successful mobilization was issued by Pres. Truman Jan. 17. If necessary, the Govt. will limit a worker's right to change jobs, set ceilings on the number of workers an employer may hire and decide whom any specific firm may or may not employ. The policy statement was distributed for compliance by all Govt. departments and agencies. (Labor Secy. Maurice J. Tobin told the Senate Preparedness Subcom. Jan. 16
B that the maximum defense production work week should not exceed 48 hours and that even a 48-hour week would not be needed "for a long time.") [See Vol. X, p. 425K-L]

Wilson for Immediate Curbs. Imposition of wage-price ceilings with "speed and forthrightness" was urged by Mobilization Dir. Charles E. Wilson in an address to the Poor Richard Club in Philadelphia Jan. 17. "There is no other way," he said, because voluntary efforts have failed. [See p. 11G-H]

Business Building Ban. A 30-day ban on construction of virtually all new commercial buildings was imposed by the Natl. Production Authority Jan. 15 to save critical materials. A licensing system for such construction was expected to be ready to
C take effect when the temporary ban ends Feb. 15. Meantime the NPA will authorize construction only in emergency or hardship cases or to aid the defense effort. [See Vol. X, p. 326H]

Auto Output Cut. Auto industry spokesmen told the Natl. Production Authority Jan. 17 that they have decided to cut output 20%-30% below the 1950 record in anticipation of growing shortages of materials and tools. [See Vol. X, p. 418D] H

Stock Margin Raised. The Fed. Reserve Board Jan. 16 ordered margin requirements on stock deals raised from 50% to 75% as an anti-inflationary measure. N.Y. Stock Exchange prices were at the highest levels since Feb. 1931. [See Vol. X, p. 426J]

BUSINESS & FINANCIAL SUMMARY

Week Ending Jan. 13

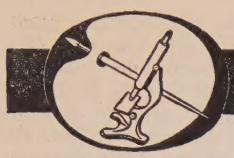
FINANCE			
U.S. Treasury—	**This Week**	**Last Week**	**Year Ago**
Monetary gold stocks	$22,546,000,000	$22,706,000,000	$24,426,000,000
Currency circulation	$27,415,000,000	$27,685,000,000	$27,311,000,000
Banks—			
Com'l, ind'l & agri'l loans	[a]$17,859,000,000	$17,839,000,000	$13,851,000,000
N.Y. bank clearings	$8,435,193,901	$9,001,986,633	$7,319,133,109
N.Y. bank loans (Jan. 3)	[r]$6,358,000,000	$6,305,000,000	....
England note circulation (£)	1,314,045,000	1,133,206,000	1,280,489,000
N.Y. Stock Exchange—			
Stock sales (shares)	17,361,898	14,350,847	14,798,610
Stock avgs. (100 stocks)*	140.71	139.69	125.13
Bond sales	$27,230,000	$20,904,100	$37,043,300
Bond avgs. (30 bonds)*	102.82	102.66	102.57
AGRICULTURE:			
Wheat price (bu.)	$2.69¾	$2.71¼	$2.50⅞
Corn price (bu.)	$2.01¼	$2.04¼	$1.55⅝
Cotton price (lb.)	$.451	$.4408	$.3175
INDUSTRY:			
Auto output (cars, trucks)†	133,502	93,595	146,956
Crude oil (bbls. daily)	[b]5,787,810	5,767,910	4,926,700
Soft-coal output (tons)	[c]9,100,000	11,025,000	6,638,000
Elec. output (kwh.)	[b]6,602,122,000	6,479,302,000	5,695,372,000
Carloadings (cars)	[b]662,444	602,376	506,947
Ind'l output (Fed. Reserve	**Dec. 1950**	**Nov. 1950**	**Dec. 1949**
Board, 1935-39=100)	216	215	179
PRICES:	**This Week**	**Last Week**	**Year Ago**
Steel scrap avg. (ton)	$45.09	$45.09	$26.25
Wholesale food index‡	$7.02	$6.93	$5.76
Weekly wholesale commodity index (BLS, 1926=100)	[d]177.9	176.8	151.8
BUSINESS:			
Dept. store sales (Fed. Res. Board, 1935-39=100)	[b]285	237	205
Failures (Jan. 4)‡	144	125	161
	Nov. 1950	**Oct. 1950**	**Nov. 1949**
New incorporations‡	6,256	6,782	6,755
Personal incomes (ann. rate)¶	[r]$231,900,000,000	[r]$231,100,000,000	$205,700,000,000
Consumer credit (month end)§	[r]$19,412,000,000	$19,401,000,000	....
Installment credit§	$13,319,000,000	[r]$13,396,000,000	....
Mfrs.' inventories¶	$32,900,000,000	$31,600,000,000	$28,600,000,000
Mfrs.' sales¶	$21,500,000,000	$22,800,000,000	$16,400,000,000
Imports**	$851,600,000	[r]$922,000,000	$593,000,000
Exports**	$978,000,000	$904,000,000	$841,000,000
Corporate working	**Sept. 30, 1950**	**June 30, 1950**	
capital (SEC)	[r]$75,900,000,000	$73,700,000,000	....
LABOR:	**Dec. 1950**	**Nov. 1950**	**Dec. 1949**
Employed**	60,308,000	61,271,000	58,556,000
Unemployed**	2,229,000	2,240,000	3,489,000
Mfg. data (BLS)—	**Nov. 1950**	**Oct. 1950**	
Avg. weekly earnings	$62.06	$61.99	....
Avg. weekly hours	41.1	41.3	....

*N.Y. Herald Tribune **Census Bureau †Ward's estimate ‡Dun & Bradstreet ¶Commerce Dept. §Fed. Reserve Board [a]Fed. Reserve member banks, 95 cities, Jan. 3 [b]Jan. 6 [c]Dec. 30 [d]Jan. 9 [r]Record

YEAR-END STATISTICS

	1950	**1949**
Finance:		
N.Y. Stock Exchange—		
Stocks sold (shares)	524,799,621	272,203,402
Bonds sold	$1,112,425,170	$817,949,070
N.Y. Curb Exchange—		
Stocks sold (shares)	107,732,340	66,201,828
Bonds sold	$47,549,000	$49,636,000
New bonds marketed in N.Y.		
(issues)	729	676
(dollar total)	$5,755,372,000	$4,790,880,000
Midwest Stock Exchange (first full calendar year)—		
Stocks sold (shares)	18,775,000	....
(value)	$474,702,455	....
Industry:		
Steel output (ingot tons)	[a r]96,713,276	77,860,943
Iron and steel scrap used (tons)	[e r]81,000,000	....
Aluminum output (lbs.)	[e]1,435,000,000	1,207,000,000
Softcoal output (tons)	[e]500,000,000	435,000,000
Copper mine output (tons)	939,931	773,000
Refined copper output (tons)	[r]1,270,768	....
Zinc smelter output (tons)	[e r]995,000	....
Zinc imports (tons)	[e]155,000	....
Natural rubber consumed (long tons)	[e]711,000	....
Synthetic rubber consumed (long tons)	[e]529,000	[e]394,000
Automobiles:		
Passenger car output (cars)	[e r]6,672,700	5,121,120
Truck & bus output (units)	[e]1,343,050	1,602,499
Auto industry production workers	715,000	643,000
Passenger cars registered (year end)	[r]39,710,000	....
Trucks registered (year end)	8,550,000	....
Buses registered (year end)	220,000	....
Aviation:		
Passenger-miles flown (scheduled lines)	[r]10,211,160,000	8,821,269,000
Passengers flown (sched. & non-sched.)	[e]19,024,000	....
Cargo flown (ton-miles)	[r]213,594,745	122,848,823
Airline profits	[e r]47,000,000	[r]$24,600,000
Military plane output (units)	[e]3,000	2,544
(pounds)	[e]37,000,000	29,800,000
Personal plane output (units)	[e]3,000	3,379
Airliners produced	75	....
Housing:		
Dwelling units started	[e]1,375,000	1,025,000
Expenditures on housing	[e r]$12,300,000,000	....
Radio & Television:		
TV sets produced	[e r]7,500,000	[e]3,000,000
TV sets in use (year end)	[e r]8,750,000	....
TV stations operating (year end)	107	96
Radio set output	[e]14,000,000	....
Radio stations operating (year end)	2,230	2,087
FM stations operating (year end)	676	744
Utilities:		
Phones in use (year end)	[e r]43,000,000	[r]40,709,398
Electric output (kwh.)	[e]328,000,000,000	[e]334,000,000,000
Electric industry gross revenues	[e r]$4,475,000,000	[e r]$4,150,000,000
Net income	[e r]$820,000,000	....
Gas industry revenues	[e r]$1,958,000,000	$1,694,331,000
Natural gas revenues	[e r]$1,363,000,000	....
Natural gas sold (million cu. ft.)	[e]3,694,000,000	[e]3,153,335,000
Textiles:		
Wool cloth output (yards)	[e]425,000,000	....
Rayon output (lbs.)	[e]1,250,000,000	993,800,000
Nylon output (lbs.)	[e]100,000,000	....
Labor:		
Number of strikes	[e]4,700	3,606
Workers involved	[e]2,330,000	3,030,000
Man-days idleness	[e]38,500,000	50,500,000
Miscellaneous:		
U.S. imports	[e]$8,700,000,000	$6,626,200,000
U.S. exports	[e]$10,000,000,000	$12,002,000,000
Farmers' net incomes	[e]$13,300,000,000	$13,800,000,000
Farmers' cash receipts	[e]$27,600,000,000	....
Life insurance bought	[e r]$29,500,000,000	....
Life ins. in force (yr. end)	[e r]$228,000,000,000	$214,000,000,000
Life ins. policy holders (yr. end)	83,000,000	....
Life ins. company assets (yr. end)	[e]$64,000,000,000	$59,600,000,000
Advertising volume	[e r]$5,500,000,000	[e]$5,200,000,000
Newspaper advtg. volume	[e]$1,800,000,000	[e]$1,700,000,000
Magazine advtg. volume	[e r]$475,000,000	[e r]$450,000,000
Radio advtg. volume	[e]$625,000,000	$633,000,000
TV advtg. volume	[e r]$80,000,000	[e]$20,000,000
Fishery products catch (U.S. & Alaska, lbs.)	[e]4,900,000,000	[e]4,800,000,000
Cigarette output (units)	[e]393,300,000,000	[e]385,500,000,000

[a]Operating rate averaged 96.7% of theoretical capacity; increase in steelmaking capacity during 1950 was 4,800,000 tons [e]Estimate [r]Record



ARTS & SCIENCE

Medical Science. Elimination of sterility in 22 of 40 men treated with the synthetic drug pregnenolone was reported by Dr. A. R. Abarbanel of Los Angeles at the first Intl. Conference on Steroid Hormones held in Cuernavaca, Mex. Jan. 15-18. The drug, a hormone-like substance made from the Mexican yam, also increased sex drive in most cases. Some physicians present said pregnenolone was as effective as or more effective than ACTH or cortisone in treatment of arthritis and rheumatic fever, but the results were not conclusive. [See Vol. X, p. 150J]

The soil-derived drug neomycin has proved effective in treatment of urinary tract infections that had resisted penicillin, aureomycin, chloramphenicol and streptomycin, according to a report of 4 Philadelphia physicians in the *Journal of the American Medical Assn.* Jan. 12. Use of the artificial kidney to save the lives of many victims of extreme post-operative shock was revealed by Dr. John P. Merrill of Boston's Peter Bent Brigham Hospital at a symposium at the Natl. Institute of Health in Washington Jan. 12. [See Vol. X, p. 395H]

Brain operations for the relief of otherwise hopeless psychoses without impairment of intellectual faculties were described by Yale Prof. John F. Fulton at the N.Y. Academy of Medicine Jan. 11. New knowledge of brain functions has made it possible to operate on the brain section concerned with emotional function without touching the parts of the brain that govern intellectual activity. [See Vol. X, p. 150K-L]

U.S. death rate dropped to a record low—9.6 a thousand—in 1950, according to the Metropolitan Life Insurance Co. Dec. 17. It was 1% below 1949's record. [See Vol. X, p. 62L]

Ad Refusal Barred. U.S. Dist. Judge Emerich B. Freed in Cleveland Jan. 5 ordered the *Lorain (O.) Journal* not to refuse advertising space to advertisers who patronize WEOL, a competing radio station in Lorain and Elyria. His anti-trust order did not bar the *Journal*'s owners from buying a competing newspaper or radio station, as the Justice Dept. had requested. The *Journal* appealed to Supreme Court Jan. 8. [See Vol. X, p. 279H]

Censorship. Ireland banned sale and distribution of the U.S. magazine *Life* Jan. 10 because the magazine "has usually or frequently been indecent or obscene." It had banned *Esquire* and 15 other U.S. magazines for the same reason Dec. 28. Egypt banned the U.S. film *Samson & Delilah* Jan. 7 for representing "an episode of Israeli life and power." [See p. 9H]

Shaw 'Stingy.' Blanche Patch, George Bernard Shaw's secretary, says in her book, *Thirty Years with G.B.S.*, published in London Jan. 15, that he became stingy in later years when it came to paying his staff. She adds: Privately he was no great talker but "humble, modest and shy." [See Vol. X, p. 427P]

NEW YORK THEATER

OPENED

DARKNESS AT NOON. Melodrama by Sidney Kingsley based on Arthur Koestler's novel about old Bolshevik purged by the party he has helped seize power. Staged by Kingsley. Presented by Playwright's Co. Starring Claude Rains as Rubashov, the jailed revolutionary. Cast includes Kim Hunter, Walter J. Palance, Philip Coolidge, Alexander Scourby, Will Kuluva, Herbert Ratner. Jan. 13 at Alvin. (6-2-0)*

FOUR TWELVES ARE 48. Joseph Kesselring comedy about a 4-generation family of Indian girls of whom all but the youngest (12 years old) had become unwed mothers at the age of 12. Staged by Otto Preminger. Presented by Preminger, Richard Aldrich, Richard Myers & Julius Fleischmann. Cast headed by Anne Revere, Ernest Truex, Hiram Sherman, Doro Merande, Joshua Shelley. Jan. 17 at 48th St. Theater. (1-1-6)* Closed Jan 18; 2 performances.

THE HOUSE OF BERNARDA ALBA. Federico Garcia Lorca's tragedy translated from Spanish by James Graham Lujan & Richard O'Connell. About fanatic widow who imposes 8 years of deep mourning on her 5 daughters. Staged by Boris Tumarin. Presented by Stewart Chaney as 4th in current series of American Natl. Theater & Academy. Starring Katina Paxinou as Bernarda, the widow. In the cast: Ruth Ford, Helen Craig, Kim Stanley, Tamara Daykarhanova. Jan. 7 at ANTA Playhouse. (2-4-2)*

SECOND THRESHOLD. Drama by Philip Barry. Revised after his death by Robert E. Sherwood. Concerns father convinced that life holds nothing more for him. Staged & produced by Alfred de Liagre Jr. Starring Clive Brook. Cast includes Margaret Phillips, Hugh Reilly, Betsy Von Furstenberg. Jan. 2 at Morosco. (6-1-1)*

CLOSED

BLACK CHIFFON, 109 performances, Jan. 13. [See Vol. X, p. 311N]
THE COCKTAIL PARTY, 409 performances, Jan. 11. [See Vol. X, p. 31N]
MR. ROBERTS, 1,157 performances, Jan. 6. [See Vol. VIII, p. 59K-L]
PARDON OUR FRENCH, 100 performances, Jan. 6. [See Vol. X, p. 319B]

*1st figure—favorable reviews; 2d—mixed; 3d—unfavorable (based on reviews of these N.Y. newspaper critics: Brooks Atkinson, Times; Howard Barnes, Herald Tribune; John Chapman, Daily News; Robert Coleman, Mirror; William Hawkins, World-Telegram & Sun; John McClain, Journal-American; Arthur Pollock, Compass; Richard Watts Jr., Post).

NEW BOOKS

(FACTS ON FILE selections based on interest, importance & quality)

THE BALANCE WHEEL, by Taylor Caldwell. Novel about industrialist on eve of World War I. Jan. 8. (Scribner, $3.50)*

THE DISAPPEARANCE, by Philip Wylie. Novel about simultaneous disappearance of men & women from each other's world—for 4 long years. Jan. 11. (Rinehart, 405 pp., $3.50)*

DISTURBER OF THE PEACE: The Life of H. L. Mencken, by William Manchester. Laudatory biog. Jan. 3. (Harper, 336 pp., $3.75)†

FOXFIRE, by Anya Seton. Realistic novel about modern West (Arizona). Jan. 2. (Houghton Mifflin, $3)*

THE HELL BOMB, by William L. Laurence of N.Y. Times. Latest publishable data on hydrogen bomb. Jan. 4. (Knopf, 198 pp., $2.75)†

THE LOVED AND ENVIED, by Enid Bagnold. A novel about international set in Paris early part of century. Jan. 2. (Doubleday, 276 pp., $3)*

POLICY FOR THE WEST, by Barbara Ward. Economic analysis of last 5 years and how West can win struggle with Russia through unity and cooperation. Author is a London editor. Jan. 8. (Norton, 317 pp., $3.75)†

RIVER OF THE SUN, by James Ramsey Ullman. Novel about Amazon jungles. (BOMC choice.) Jan. 3. (Lippincott, 444 pp., $3.50)*

ROMMEL: The Desert Fox, by Brig. Desmond Young. Laudatory biog. of one of few Nazi generals West admired. Jan. 17. (Harper, 271 pp., $3.50)†

THE SCARLET SWORD, by H. E. Bates. A novel about violence in modern Kashmir. Jan. 8. (Atlantic-Little, Brown, 282 pp., $3)*

THE WITCH DIGGERS, by Jessamyn West. A novel about an Indiana Poor Farm at turn of century. Jan. 11. (Harcourt, Brace, 441 pp., $3.50)*

THE WHITE CONTINENT: The Story of Antarctica, by Thomas R. Henry. History of South Polar region. Jan. 4. (Sloane, 257 pp., $3.75)†

*Fiction †Non-fiction

Correction: Hamilton Fish Armstrong's "Tito and Goliath" was published Jan. 15, not Oct. 24 as reported in Vol. X, p. 344B.

EDUCATION & RELIGION

NEW EXECUTIVES

Organization	Executive	Post	Date
Assn. of University Evening Colleges	Dr. Robert A. Love of C.C.N.Y.	Pres.	Nov. 16
Atlantic Christian College	Dr. O. Ray Lindley, 44	Pres.[1]	Nov. 1
Boston U.	Dr. Harold C. Case, 48	Pres.	Jan. 16
Carnegie Foundation for the Advancement of Teaching	Dr. James Bryant Conant, Harvard president	Chrmn.	Nov. 16
Cornell U.	Dr. Theodore P. Wright, 55	Actg. Pres.	Jan. 15
Ethiopian Coptic Church	Bishop Basilios, 59	Archbishop[2]	Jan. 8
Ford Foundation	Paul G. Hoffman[3]	Pres.[4]	Nov. 6
	Robert M. Hutchins[5]	Asso. Dir.	Dec. 19
	Chester C. Davis, pres. of Fed. Reserve Bank of St. Louis	Asso. Dir.	Dec. 19
Girl Scouts of the U.S.A.	Dorothy C. Stratton, wartime head of the Spars	Exec. Dir.	Jan. 2
Jewish Conciliation Board of America	Dr. Israel Goldstein	Pres.[10]	Jan. 10
Jr. Hadassah	Gloria E. Rubin of B'klyn	Pres.	Nov. 26
Lutheran Laymen's Movement for Stewardship	Harold U. Landis, pres. of Penn Oil Co.	Pres.	Dec. 28
Methodist Church: Virginia-North Carolina area	Bishop Paul Neff Garber	Admin. head[6]	Jan. 9
Natl. Catholic Welfare Conf.	Archbishop Francis P. Keough of Baltimore	Chrmn.	Nov. 17
Natl. Com. for Labor Israel	Joseph Schlossberg	Chrmn.	Nov. 26
Natl. Council for the Social Studies	Myrtle Roberts of Dallas, Tex.	Pres.	Nov. 25
Natl. Interfraternity Conf.	Ray Warnock	Chrmn.	Nov. 25
New York U.	James L. Madden, vice pres. of Metropolitan Life Ins.	Acting Chancl.[7]	Nov. 19
United Jewish Appeal	Edward M. M. Warburg	Chrmn.[8]	Dec. 17
U. of Arizona	Dr. Richard A. Harvill, 45	Pres.	Dec. 16
U. of the State of N.Y.	John P. Myers	Chancl.	Dec. 15

RESIGNATIONS & RETIREMENTS

American Zionist Council	Louis Lipsky	Chrmn.	Nov. 21
N.Y. State Maritime College	Vice Adm. Herbert F. Leary, 65	Pres.[9]	Dec. 26

[1]Installed [2]First Ethiopian to be elected Primate; church was previously under Egyptian Coptic Church [3]See pp. 315D, 307M [4]Post pays $75,000 a year [5]Resigning as chancellor of the U. of Chicago effective June 30, 1951 [6]Succeeds Bishop William Walter Peele, 69, retiring effective Feb. 15 [7]Succeeds Dr. Harry Woodburn Chase, 67, whose retirement becomes effective July 1, 1951 [8]Succeeds Henry Morgenthau Jr. [9]Effective June 1, 1951 [10]Reelected for 21st term

Supreme Court. A New York City ordinance requiring preachers to obtain police permits for religious services on the city streets was held invalid by an 8-1 ruling of the Supreme Court Jan. 15 on grounds that it violated Constitutional guarantees of free speech. Justice Robert H. Jackson dissented. He said the city had not restricted the right of Jacob Kunz, the preacher in-

volved, to speak on private property but had a right to bar him from the streets after he created disorder by "scurrilous attacks on Catholics and Jews." The court Jan. 2 unanimously upheld a district court ruling ordering Louisiana State U. to admit Roy S. Wilson, 30, a Negro, to its law school. (Wilson, first Negro to enter LSU, quit the school Jan. 17.) [See Vol. X, p. 419H]

OBITUARIES

Guy Irving Burch, 51, population analyst, founder-director of Population Reference Bureau; Jan. 13 in Washington.

Charles B. Driscoll, 65, since 1938 author of syndicated column *New York Day by Day* originated by O. O. McIntyre; Jan. 15 in Yonkers, N.Y. of a heart attack.

Ex-Adm. Jean-Pierre Esteva, 70, Vichy's Resident General in Tunisia who was condemned to life imprisonment in 1945 for not opposing German landings there but was released last August; Jan. 12 in Reims. [See Vol. V, p. 86F]

Emil Frey, 83, who discovered (and named) Liederkranz cheese in 1895; Jan. 11 in Van Wert, Ohio. He was Swiss-born.

Charles William Goddard, 71, principal author of *The Perils of Pauline,* other movie serials, playwright and *American Weekly* writer since 1923; Jan. 11, Miami. [See Vol. X, p. 304D]

John Henry Charles Ernest Howeson (born von Ernsthausen), 65, who virtually cornered the world tin market in 1929 and was jailed for a year in 1936 for fraud when his pepper pool collapsed; Jan. 8 in Tunbridge Wells, Eng.

Rev. Dr. Henry (Harry) Allan Ironside, 74, Toronto-born former pastor of Moody Memorial Church, Chicago, self-educated evangelist known as the "Archbishop of Fundamentalism" in U.S.; Jan. 16 in Rotu Rua, N.Z. while on a preaching tour.

Nikita Alexeyevich Izotov, 50, ex-coal miner who with Alexei Stakhanov founded "Stakhanovite" speed-up system; death announced from Moscow Jan. 16.

Francesco Cardinal Marchetti-Selvaggiani, 79, secretary of the Congregation of the Holy Office, dean of Sacred College of Cardinals; Jan. 13 in Vatican City of cerebral thrombosis.

William H. McReynolds, 70, FDR's administrative asst. 1939-1945; Jan. 17 in Washington.

Dr. Oscar C. Merrill, 76, civil engineer, 1st ex. secy. of Fed. Power Comm. (1920-29); Jan. 15 in Bethesda, Md.

Mrs. Natalie Rachmaninoff, 70, widow of Russian pianist-composer Sergei Rachmaninoff, who died in 1943; Jan. 17 in N.Y.

Mrs. Caroline McCormick Slade, suffragist, civic leader, a founder of Natl. League of Women Voters; Jan. 12 in N.Y.

Maj. Gen. Sir Ernest Dunlop Swinton, 82, who helped invent the tank in World War I; Jan. 15 in Oxford, Eng.

Maxence Van der Meersch, 43, Flemish-born French novelist whose *L'Empreinte de Dieu (The Mold of God)* won the French Goncourt Prize in 1936; Jan. 14 in Le Touquet, France.

Charles A. Ward, 68, one of America's leading naval and merchant ship architects; Jan. 12 in New York.

SPORTS

Boxing. Ezzard Charles, 29, of Cincinnati, at 185 lb., defended his world heavyweight title in New York Jan. 12 by knocking out Lee Oma, 34, of Buffalo, 193, in one min. 19 secs. of the 10th round. [See p. 12G; Vol. X, 404J]

Cricket. Australia clinched "The Ashes" trophy (mythical world cricket title) Jan. 9 by winning its 3d straight test over England in the 3-out-of-5 series in Sydney. Australia has held the title since 1932. [See Vol. IX, pp. 44L, 8A]

Football. First NFL "Pro Bowl" all-star game, in Los Angeles Jan. 14: Amer. Conf. 28, Natl. Conf. 27. [See Vol. X, p. 428L]

Actions of the Natl. Collegiate Athletic Assn. meeting in Dallas Jan. 12-13: "Sanity" code against professionalism in college sports was virtually discarded when conferences instead of NCAA were given control of school policy on financial aid to athletes. (NCAA's council had reported Jan. 10 that the code was being violated by 7 unidentified schools—believed to be Villanova, Virginia U., VMI, Va. Tech, North Carolina, N.C. State, Richmond.) NCAA made a non-binding request that live television broadcasts of college football games be banned this year to test TV's effect on gate receipts. (Pacific Coast Conf. decided Jan. 5 to ban televising of its 1951 grid games.) [See Vol. X, p. 420F] NCAA demanded that bowl-game promoters give competing schools 75% of receipts. [See Vol. X, p. 24J]

Kentucky, this year's Sugar Bowl winner, gave its football coach, Paul Bryant, a 12-year renewal of his contract Jan. 10. [See p. 12H] . . . St. Mary's College of Oakland, Calif. dropped intercollegiate football Jan. 5 "for the duration of the national emergency." [See Vol. X, p. 420E-F] . . . Vic Janowicz, all-American football star, was dropped by Ohio State U. Jan. 5 because of poor grades. He may be readmitted next quarter. [See Vol. X, pp. 420F, 404F-G]

Golf. $10,000 Bing Crosby open at Pebble Beach, Calif.: won Jan. 14 by Byron Nelson, for $2,000. [See Vol. X, p. 24L] . . . PGA senior title: retained by Al Watrous, in Dunedin, Fla. Jan. 14. . . . $15,000 Los Angeles open: won Jan. 8 by Lloyd Mangrum of Chicago, for $2,600. [See Vol. X, pp. 412G, 312H] . . . Women's Ponte Vedra (Fla.) open: won Jan. 7 by Mildred (Babe) Didrikson Zaharias, now owner of a golf course in Tampa, Fla., for $750. Mrs. Zaharias also was named in an AP poll Jan. 7 as woman Athlete of the Year for 1950. [See Vol. X, pp. 320H, 56C; VIII, 20H-J]

Horse Racing. $50,000 San Carlos Handicap at Santa Anita (Arcadia, Calif.) Jan. 1: won by Abe Hirschberg's Bolero, Eddie Arcaro up, in world-record time of one min. 21 secs. for 7 furlongs; winner's purse $41,300 . . . $50,000 Santa Catalina Handicap at Santa Anita Jan. 6: won by William Goetz' Your Host, Eric Guerin up. [See Vol. X, pp. 428N, 388J]

$50,000 San Pasqual Handicap at Santa Anita Jan. 13: won by Anita King & Gus Luellwitz' Moonrush, F. A. Smith up, for $38,550. Your Host suffered a broken leg in a spill, was retired from racing. . . . Daily double (parlay on winners of first 2 races) paid $6,740.50 to $2 at Tropical Park, Coral Gables, Fla. Jan. 13 on Frilly Frock (16-1), Rough Cookie (59-1).

Natl. squash racquets doubles title: retained by Hunter Lott-Diehl Mateer Jr. of Phila. in N.Y. Jan. 7. [See Vol. IX, p. 96G]

MISCELLANEOUS

Plane Crashes. B-50 bomber near Edwards AF Base, Calif., night of Jan. 10-11; all 8 aboard killed. B-29 Superfortress near Seguin, Tex. Jan. 11; 6 of 11 crewmen killed. Natl. Airlines DC-4 airliner at Philadelphia Intl. Airport Jan. 14; 7 killed, 21 escaped when plane crashed and burned while landing; stewardess Mary Frances Housley, 24, led at least 10 persons out of the flaming wreckage, then lost her life in trying to rescue a child strapped in a seat. B-26 bomber northwest of Chicago Jan. 15; 5 killed. Northwest Airlines Martin 202 (2-engine) in a snowstorm near Edwall, Wash. Jan. 16; all 10 aboard killed. (5 of Northwest's 25 Martins have crashed in less than a year with a total of 90 lives lost.) [See p. 12N]

Gehr Acquitted. Herbert Gehr, 40, TV director, was acquitted in Carmel, N.Y. Jan. 16 of the divorce-raid killing of his wife, Andrea, last July 10. He testified he shot her by accident thinking she was a prowler when she arrived with detectives to get divorce evidence. [See Vol. X, p. 404N]

Suspected Killer of 8 Caught. William E. Cook, 23, of Joplin, Mo., suspected killer of 8 persons, was captured by Mexican police in Santa Rosalia, Lower California, after a 2-week international manhunt. Taken to San Diego, Calif., he was charged with killing the 5-member Carl Mosser family, including 3 Children, in Joplin, Mo. after they gave him a ride from Oklahoma. Another charge accused him of killing a Seattle salesman in California to steal his car. Meantime a deputy he had kidnaped said he told him he had killed 2 other men and buried them in the snow in Oklahoma. He will be tried in Oklahoma City on federal kidnaping charges.

Tallulah's Ex-Maid Indicted. Mrs. Evyleen Ramsay Cronin, 58, Tallulah Bankhead's former maid, secretary and wardrobe mistress, was indicted in New York Jan. 5 on charges of stealing $4,284.60 from the actress by "kiting" personal checks. Mrs. Cronin's attorney said the checks were "used to pay for cocaine, marihuana, liquor, booze, whisky, champagne and sex" for the actress. Miss Bankhead vehemently denied spending any money on dope or sex Jan. 6, saying of the latter: "I don't have to buy sex. I haven't slipped that far." The prosecutor said $10,000 was stolen in all. [See Vol. X, p. 304K-L]